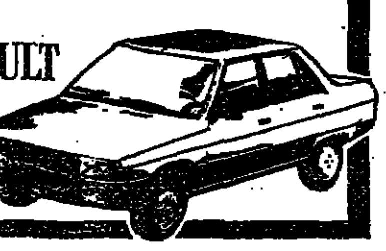
FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,663 Saturday January 2 1982 ***30p

CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15; BELGIUM Fr 30; DENMARK Kr 5.00; FRANCE Fr 5.00; GERMANY DM 2.0; ITALY L 1,000; NETHERLANDS Fl 2.25; NORWAY Kr 6.00; PORTUGAL Esc 50; SPAIN Pts 85; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 42p; MALTA 30c



NEWS SUMMARY

Floods, fog and ice hit many areas

Torrential rain and high tides burst the banks of the Avon in Dorset, flooding parts of Christchurch and acres of meadowland nearby, while some roads in Gloucestershire were under five feet of water as the Severn overflowed.

Scores of homes were flooded near Tewkesbury, and the Severn-Trent Water Authority has put its whole area on alert for the weekend.

In the North, ice and fog made roads treacherous. Speed restrictions as low as 20 mph were in force on many stretches of motorway. The RAC warned: "The slightest lapse in concentration could spell real trouble."

Traffic in Shropshire Lancashire, Yorkshire and other counties was reduced to a crawl as the freezing fog thickened after dusk. Patches were also reported in the South-West.

...The Severn flooding, described as the worst for 13 years, was compounded by the sudden thaw. Weather, Back Page

GENERAL

Burgess documents blocked

The release of Foreign Office documents on Guy Burgess and Donald Maclean, the British diplomats who spied for the Soviet Union, has been blocked on security grounds.

The papers were due for release yesterday under a rule which allows publication after 30 years, but the Government has invoked the 1958 Public Records Act to withhold them indefinitely. Other Cabinet papers from the period were released. Page 3

Penlee fund still faces obstacles

Prime Minister Margaret Thatcher said she had given no assurances about overcoming legal obstacles which prevent dependents of the Penlee lifeboat disaster victims receiving all the £1.6m so far collected.

The Cornish villagers who form its new crew earlier ended a strike after learning of her concern.

Ghana curfew

A dusk-to-dawn curfew was declared in Ghana after Flight Lieut Jerry Rawlings again assumed power, but the capital Accra was reported quiet. Back Page; Muddled idealist, Page 2

M-way toll plan

Tolls may be imposed on the Maidstone to Ashford section of the M20 when completed, to help cover construction costs. Back Page

Top pay advance

Directors and executives of profitable UK companies can expect higher percentage pay rises this year than their office or shop floor workers, a survey shows. Page 3

Peer airport row

Liberal Lord Avebury resigned as vice-president of the Town and Country Planning Association in protest at its campaign to site a third London airport at Maplin.

Yard post filled

John Thornton, commander of north-east London police, will replace Trident casino appointee Peter Neivens tomorrow as Scotland Yard's information director.

England recover

Ian Botham and captain Keith Fletcher added 90 to halt a batting slide, leaving England 195 for five after the opening day of the fourth cricket Test in Calcutta.

Briefly ...

Brian Clough, Nottingham Forest manager, was discharged from hospital.

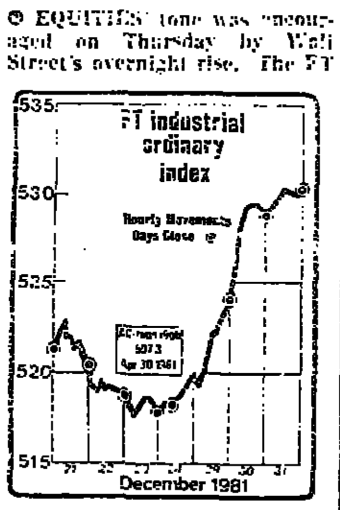
Hyenas killed 20 children in drought-hit southern Ethiopia.

BUSINESS

Start-up for new power stations soon

- CEGB expects to raise power at four new stations in the first few months of 1982. Back Page

- EQUITIES' tone was encouraged on Thursday by Wall Street's overnight rise. The FT



30-share index finished 1.6 up at 530.4. This was 55.9, or 3.5 per cent, up over the year. Page 20

- GILTS closed a troubled year displaying a slightly more confident tone. The Government Securities index rose 0.61 to 62.37. Page 20

- STERLING finished Thursday unchanged on a trade-weighted basis. It lost 20 points to close at $1.91. It eased to DM 4.29 (DM 4.305), SwFr 3.435 (SwFr 3.44) and Y419.5 (Y420). Page 19

- DOLLAR's trade-weighted index fell to 106.9 (107.2) on Thursday. It closed at DM 2.247 (DM 2.251), SwFr 1.8 (SwFr 1.7975), Y 219.70 (Y219.50) and FFr 5.70 (FFr 5.7175). Page 19

- WALL STREET finished narrowly up on Thursday at 875.3 a 1.9 rise. Page 16

- EUROFLAME Holdings, the cooking appliances distributor whose profit forecast for 1981 caused a listing problem for the company's shares last February announced that its results for the year will show a big loss. Back Page

- AT & T anti-trust dispute talks are to be resumed by the Reagan administration. Page 2

- BRITISH AIRWAYS' chairman said 1982 would not be good year for the airline, though its performance should be better than in 1981. Page 3

- BRITISH PETROLEUM is urging governments of western nations to build up oil stocks to cope with shortfalls in crude oil supplies. Page 3

- MOBIL launched another legal manoeuvre to try to block the $6.3bn merger between U.S. Steel and Marathon Oil. Page 17

- AUSTIN REED acquired a near 7 per cent stake in the Gieves group, but discounted speculation about a possible takeover. Page 14

CHIEF PRICE CHANGES THURSDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS (from second column where marked)		
Bovater	222	+ 4	Prestwich Parker	50	+ 6
B.E.T. Defd	142	+ 7	Rank Org.	152	+ 8
Burton Warrants	44	+ 4	Sangers	40	+ 3
Chloride	28	+ 3	Stothert & Pitt	69	+ 3
Coats Patons	60½	+ 4½	Trust Securities	224	+ 6
European Ferries	76	+ 3	Utd. Engineering	270	+ 5
Evode Int	190	+ 5	Watson & Philip	59	+ 5
Federated Land	137	+ 5	Westland	115	+ 5
Gieves Group	37	+ 6	New Sylhet	195	+ 25
Kershaw	260	+ 15	FALLS		
Lloyds Bank	430	+ 5	Euroflame	10	− 1
McCorquodale	136	+ 6	Harris (P.)	102	− 10
P & O Defd.	123	+ 4	Sidlaw	42	− [illegible]
			Utd. Wire	67	− 5

Arab leaders seek unity against Israel

BY PATRICK COCKBURN

RADICAL AND conservative Arab states have launched a series of initiatives aimed at creating a united front against Israel following the annexation of the Golan Heights.

President Hafez al-Assad of Syria will visit Iran soon for talks in which he is to press the Iranian Government to end its war with Iraq. The conflict in the Gulf over the last 15 months has been a major cause of the disarray in Arab ranks which culminated in the collapse of last month's Arab summit.

Arab governments in the Gulf notably in Saudi Arabia and Kuwait, are extremely eager to end the war because of the danger it poses to their own security and because of the divisions it has opened up between Arabs who back different sides.

The Israeli move has already provoked conservative Arab states to try to improve relations with radical countries such as Syria and Libya.

These efforts have been given greater emphasis by next week's vote in the UN on the imposition of sanctions against Israel. The U.S. has still to decide on how it will vote in the UN, although Washington has denounced the annexation of the Golan.

Saudi Arabia has decided in the last few days to resume diplomatic links with Libya. These were broken off in October 1980 when Libyan leader Col. Muammer Gadaffi denounced the presence of four U.S. surveillance aircraft in the Kingdom. Iraq is also likely to restore diplomatic relations with Libya, according to diplomats.

Prince Saud al-Feisal, the Saudi Foreign Minister, said yesterday that resumption of ties between his country and Libya was the first step towards "total Arab reconciliation."

An entente between Saudi Arabia and Syria will go a long way towards reducing the differences between the conservatives and radicals in the Arab camp.

Arab diplomats hope that the Arab summit, which collapsed when it met in Morocco in November, will reconvene in April. However it is not clear if Saudi Arabia will again put forward its eight-point plan for peace with Israel. This has been rejected by both Libya and Syria.

An end to the Iran-Iraq war in the name of unity against Israel would clearly be an immense achievement for President Assad.

He is the Arab leader with closest links to the Iranian regime and his invitation to visit Tehran is primarily an Iranian attempt to show solidarity with Syria over the annexation of the Golan Heights.

However, there are no signs that Iran will agree to moderate its terms for a ceasefire. Reiterating the Iranian position on an end to the war, Mr Ahmed Azizi, Iran's deputy foreign minister, said yesterday that Iran had not asked Syria to mediate a settlement.

"The recent victories on the battlefronts and the clear position of the Islamic Republic concerning the war gives Iran no reason to have special talks with any country to end the war," he said.

Diplomats confirm that Iran is much more confident of its chances of defeating Iraq as a result of battles in the Iranian oil province of Khuzestan in the last six weeks.

Iraq is eager for peace talks with Iran but President Saddam Hussein of Iraq refuses to modify his claim for full sovereignty over the Shatt al-Arab waterway. Iraq says there should be a ceasefire and peace talks, with troops of both sides holding their positions.

The Iranians have demanded a total Iraqi withdrawal to pre-war boundaries.

Drivers' ban will hit 10% of Southern Region trains

BY CHRISTIAN TYLER, LABOUR EDITOR

BRITISH RAIL warned yesterday that about 500 Southern Region trains a day—10 per cent of the total—might be cancelled from Monday because of the train drivers' national overtime ban.

It said inner London suburban services, particularly to Victoria and London Bridge, would be hardest hit. Advance warning of delays and cancellations would be given "in most cases."

The impact on the rest of the national network would be less severe, and the Inter-City service would be "not too bad."

But a 24-hour unofficial strike of drivers at Edinburgh, starting at midnight on Monday, would greatly reduce the service on the East Coast main line between London and Scotland. The number of trains from Edinburgh to other parts of Scotland could be cut by half.

A dispute between BR and the Associated Society of Locomotive Engineers and Firemen, to which the great majority of drivers belong, over the terms of a pay and productivity negotiation has led to the industrial action.

ASLEF threatens an all-out strike on January 13 and 14.

Mr Clifford Rose, BR board member for industrial relations, said he saw little prospect of further negotiation before the action began.

Even then BR would be "standing firm." It was now for the union to make concessions.

Mr Rose is in constant touch with Mr Ray Buckton, general secretary of ASLEF. Mr Len Murray, TUC general secretary, may also be brought into the picture following the breakdown of talks at the Advisory Conciliation and Arbitration Service.

The dispute is over the terms of an agreement reached at ACAS in August to avert a national strike. BR refuses to pay drivers a 3 per cent second stage of last year's wage award, or to introduce a promised 39-hour working week, until ASLEF agrees to daily shifts of variable length.

ASLEF refuses to give up the eight-hour day, and claims the August understanding did not commit it to do so in return for the 3 per cent.

The biggest rail union, the National Union of Railwaymen, is ready to agree to flexible rosters. Its non-driver members will get the 3 per cent.

Yesterday Mr Rose said the credibility of BR's commitment to greater working efficiency was at stake.

"Clearly it's a potentially serious situation. I don't doubt that the footplate staff are displeased and concerned about the impact on their working lives, and change to national agreements.

But, he said, the drivers should recognise that there were benefits both for them and the industry. They would get bigger slices of time off, and avoid signing on and off at "unsocial" times.

Severe education cuts abandoned

BY ROBIN PAULEY

THE GOVERNMENT has abandoned [illegible] programme of education cuts [illegible] year because the original [illegible] were too severe.

The Department of Education and Science expressed particular concern over books and equipment, reductions in teachers, school meals and milk in a detailed report on the implications of cuts set out by the current public expenditure White Paper.

"Compared with 1979-80 when books and equipment expenditure was already depressed [illegible] about 5 per cent compared with the by no means generous levels applying in 1978-79, expenditure in 1980-81 was 2.5 per cent lower per ordinary pupil and 4.2 per cent lower per secondary pupil."

The department [illegible] some children are being taught without text books [illegible] planning to spend an extra £20m in 1982-83 [illegible] books and equipment [illegible] made in 1979-80 and [illegible] to restore levels [illegible] 1978-79."

[illegible] the money will be used to:

- Employ 5,000 more teachers than planned to allow a more orderly rundown to the revised [illegible] for later years. Cost: [illegible]

- Increase provision for teacher redundancy and early retirement payments. Cost: up to [illegible]

- Provisionally revise the assumed rate of taking surplus school places out of use [illegible]

- Revise downward the savings assumed on each surplus school place taken out of use. Cost: [illegible]

- Finance extra provision for non-advanced further education for 16-19-year-olds. Cost: £35m.

- Provide extra money to allow a more orderly run down of advanced further education provision between now and 1983-84. Cost: [illegible]

- Provide redundancy and early retirement payments in advanced further education. Cost: £8m net.

- Ease the rate of reduction in the adult education expenditure. Cost: £10m.

- Revise the provision for school meals and milk: Cost: £65m.

The paper illustrates the extent to which local education authorities found it impossible to meet the assumed level of cuts implied in the White Paper.

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CONTENTS

Britain may defer to EEC stance on Reagan

By Margaret Van Hattem

THE GOVERNMENT, having failed to secure an emergency meeting of EEC Foreign Ministers in the last hours of its term as EEC president, appears to be preparing to give ground on the question of support for President Reagan's sanctions against the Soviet Union over Poland.

When the ministers meet on Monday under Belgian presidency, Britain is expected to press is EEC partners to support as far as possible the U.S. retaliation against alleged Soviet involvement in the military repression in Poland. Having relinquished the presidency, however, it may have less influence over the meeting.

The Prime Minister, in her New Year message on Thursday, indicated she expected EEC response to fall short of total support but that Britain would abide by the decision.

She said in an interview on Independent Television: "We are all very anxious to do what we can to help the Polish people. But the circumstances in Europe are a little different, the treaties are a bit different, there are some things which the U.S. can do which we can't."

Differences within the Western alliance were not serious, she said. The alliance would "stick together, because it knows the importance and significance of it, knows that Brezhnev's tactics are to try to divide us and he will not, must not succeed."

Mrs Thatcher said she and Lord Carrington, the Foreign Secretary, had pressed for a meeting this week but that other EEC countries had wanted a little bit more time.

It is accepted in Whitehall, however, that some EEC countries, such as France and

Continued on Back Page

£ in New York

—	Dec. 31	previous
Spot	$1.9150-9170	$1.9090-9110
1 month	0.35-0.25 dis	0.26-0.21 dis
3 months	0.80-0.70 dis	0.66-0.61 dis
12 months	1.10-0.90 dis	1.00-0.80 dis

Polish authorities raise prices and restore six-day week

BY ANTHONY ROBINSON

POLAND'S MARTIAL law authorities presented Poles with a list of dramatically higher prices for food, fuel and energy and reintroduced the six-day week with demands for even longer working hours in key industries now directly under military control.

Higher retail prices are designed to soak up excess purchasing power, reduce the burden of subsidies on the national budget and curtail black-market sales of scarce goods, the National Price Commission said.

At the same time Polish enterprises will now also have to pay sharply higher prices for energy, raw materials and other inputs.

The long-expected price increases were originally to be accompanied by the introduction of a measure of worker-control and greater freedom for factory managers. These changes appear to have been postponed indefinitely.

According to Warsaw Radio the virtual quadrupling of many prices will be accompanied by increasing the minimum wage and welfare benefits. The radio was vague, however, on the timing of the increases and said they would be open to "public discussion."

The new price list shows a four-fold increase in the price of pork, to 360 zlotys, and a similar increase from 30 zlotys to 110 zlotys a kilo for bacon and from 180 zlotys to 550 zlotys for ham.

Similar increases have been announced for other foodstuffs like sugar, salt, butter and cheese alongside a doubling in central heating charges and a rise in coal prices from 550 zlotys to 2,000 zlotys a ton.

Unofficial reports from Poland indicate wider aspects of economic and social reform are still being discussed by three special commissions of Polish Communist Party and technical experts set up by General Wojciech Jaruzelski to advise military authorities.

One of the commissions is reported led by Mr Stefan Olszowski, representing the party's hard-line wing.

The other two are led by Mr Mieczyslaw Rakowski, a Deputy Prime Minister and party liberal, and Mr Hieronym Kubiak, a professor who has studied in the U.S. and who is believed to argue for inclusion of both church and other non-party representatives in any civilian government.

The unofficial reports of reform moves came as the Polish President, Mr Henryk Jablonski, appealed to Poles to unite to restore the nation. In a New Year speech he repeated the view expressed by Gen Jaruzelski that "civil war was looking us in the face."

East Europeans amazed by Western disarray, Page 2

Newspaper strike averted

BY IVO DAWNAY, LABOUR STAFF

A THREATENED strike by newspaper delivery drivers was averted last night when the Newspaper Publishers Association and union officials agreed a compromise formula on the introduction of the tachograph—the device for monitoring drivers' hours and mileage.

Society of Graphical and Allied Trades officials, representing 1,000 van drivers, agreed with the NPA on a flat payment of £1.75 a shift to all drivers operating vans fitted with the tachograph, which became compulsory under EEC regulations yesterday.

The settlement comes after 13 hours of talks between the two sides held under the auspices of the Advisory, Conciliation and Arbitration Service.

The drivers' initial claim was for £1.50 a shift, with a further £1.50 a shift from April.

The deal includes an acceptance from Sogat that employers will be allowed to use data from the tachographs to analyse productivity and cost efficiency.

EUROPEAN NEWS

GDANSK CURFEW EXTENDED AFTER FOOD DEMONSTRATIONS

Tight army grip keeps Warsaw quiet

BY CHRISTOPHER BOBINSKI IN WARSAW

POLES were yesterday facing, with bewilderment and desperation, a tripling and quadrupling of many food prices in the shops—the biggest single price increase in the country's post-war history.

Warsaw stayed calm as the military increased strength and took few chances that discontent in the capital might spill over into violence, as happened dramatically on Saturday in Gdansk.

Amid the swingeing increases, the Polish National Bank announced that savings would be revalued upwards by 20 per cent. The extra payment will be made in three years with an additional 15 per cent annual interest.

Announcing that the nightly curfew in Gdansk had been extended again, Radio Warsaw said summary proceedings had started against organisers of the demonstration and "those suspected of organising breaches of the law," in the northern port.

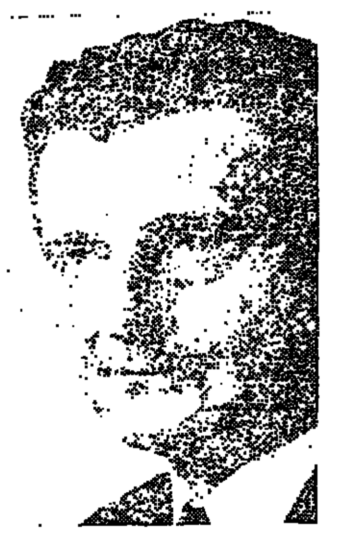
Travellers reported that the main north - south highway between Warsaw and Katowice was closed to civilian traffic, possibly to clear the way for troop movements.

Official reports of the Gdansk violence could not be checked independently because foreign journalists are confined to Warsaw and inter-city telephone services have not been restored yet. But the military authorities reported that 205 people had been arrested and six civilians and eight policemen wounded in clashes when groups of predominantly young people "attempted to attack public buildings." Order was not restored until 8 pm Saturday.

The fact that the authorities chose to announce news of the fighting on the eve of the introduction of their drastic price increases seems to show their confidence at maintaining control.

Foreign journalists have been told they will soon be allowed to travel outside Warsaw, but official permission will have to be granted before each trip. Car travel generally became easier yesterday as the Government reopened petrol pumps

The struggle inside the Communist Party establishment for influence over policy is spilling into the Press.



Mr Barcikowski . . . target of conservatives

Mr Albin Siwak, a member of the Politburo who has long expressed thinking on the conservative-wing of the party, has published two articles in Zolnierz Wolnosci, the army daily newspaper.

In one, published at the weekend, Mr Siwak, attacks by implication, the moderate politicians who in the days before martial law worked for a *modus vivendi* with Solidarity and who are now among General Jaruzelski's close supporters.

It seems that the conservatives are aiming to unseat as many as possible of General Jaruzelski's allies, while for the moment they recognise that for the moment he is unassailable.

The Conservatives are for the moment more concerned to unseat men like Mr Kazimierz Barcikowski, the general party secretary, Mr Mieczyslaw Rakowski, a deputy premier, and Mr Hieronim Kubiak, the Party secretary with responsibility for science, culture and education.

● The Polish Press yesterday attacked Sunday's U.S. television spectacular on Poland as a hypocritical cabaret and a return to the classic methods of the cold war. The Communist Party newspaper Trybuna Ludu, said it was no accident that the Gdansk demonstration coincided with the "so-called Solidarity day with the Polish nation."

Top adviser warns of 'economic upheaval'

BY LESLIE COLITT IN BERLIN

A SPOKESMAN for the Polish military Government said the economic reform programme which began yesterday would go further than Hungary's reform. Sweeping price rises were the start of the "biggest economic upheaval in the post-war history of a socialist country."

Captain Wieslaw Gornicki, a top adviser to Poland's military leader, General Wojciech Jaruzelski, explained the role of military commissars in Polish factories to the West German news magazine Der Spiegel.

He said that if, for example, a car factory ran out of fan belts, then its director could turn to the commissar and ask for help. "He would get in touch with the commissar of the components factory, and if he had no means of transport, then a military vehicle would take over delivery."

Captain Gornicki said that key industries such as coal mining "would not function" without military staff at present. As it was, coal production "is higher than at any point in the past two years."

He said reform would bring with it an initial period of "confusion and turbulence" and that this was one reason why the military council was necessary. A new law was being prepared under which the Prime Minister and cabinet members could be called to account and penalised if necessary, both retroactively and in future.

In response to a question, he said General Jaruzelski, despite being a member of the Polish Communist Party's Politburo for 11 years, was not responsible for faults in economic policy as he had not been involved in the decision on foreign credits.

The spokesman said the armed forces would put an end to what Germans referred to as the "Polish problem." He said that most Poles regarded economic questions as a burning problem, "but not the question of human rights."

Captain Gornicki praised West Germany's moderate reaction to the "events in Poland after December 13." He said that West Germans had "made a very deep impact on the national psychology of the Poles."

He was critical, however, of the Roman Catholic Church, noting that the role of the Pope was a "moral luxury" as the church was "not responsible for anything but can criticise everything." Captain Gornicki said Government relations with the Polish Catholic Church had been better under the late Cardinal Stefan Wyszynski.

In reply to a question on why the entire leadership of Solidarity, the independent trade union movement, has been interned, Captain Gornicki said this was a "painful and complicated matter."

He acknowledged that many in the Government and party leadership regarded December 13, the day martial law was imposed, "as a severe defeat."

BRUSSELS — Polish Embassy officials here do not know it yet, but next month they will probably move to Solidarity Street.

The city of Etterbeek, one of the 19 communities that form Greater Brussels, wants to change the name of the street where the embassy is located from Rue des Francs to Rue Solidarite.

"We have notified the 200 or so residents in the street of the planned name change," a city spokesman said.

The city council is expected to approve the name—the idea of Mayor Leon Defosset on February 18. Unless the Belgian Government objects within 40 days, the name will become a fact.

Mr Janusz Fekecz, the Polish ambassador who lives behind the embassy on another street, has not been informed officially yet.—AP

Romania to meet Western bankers

By Peter Montagnon, Euromarkets Correspondent

ROMANIA IS to hold a third round of talks with Western bankers on its debt problems this Thursday as signs emerge that it will need to organise some form of breathing space to get round a hump of debt service payments falling due this year.

Unlike the previous two meetings, Thursday's talks will not be attended by representatives of the International Monetary Fund. Bankers who will be going to Bucharest say they will be trying to glean more information on the country's economic position.

The vagueness of Romania's information on its balance of payments has been one reason why the talks so far have been conducted in an atmosphere of tight-lipped confidentiality.

Banks have been worried that Romania might be scared of providing more economic data if such information that has been made available is immediately passed on to outsiders.

But estimates by some Western bankers suggest that debt service arrears at the end of last year amounted to about $1.2bn, of which some $800m was due on supplier credits rather than straightforward bank loans.

This sum, together with repayments of foreign loans due this year, pushes Romania's 1982 debt service bill to more than $3bn, they estimate. This suggests that a partial restructuring of its $10bn foreign debt will have to be negotiated soon.

In recent months, banks have complained that Romania has proved totally unwilling to discuss its debt problems. Now they are relieved that talks are proceeding, but some bankers said at the weekend they were disappointed that Romania has still not acknowledged publicly the need to place its foreign debt on an orderly basis.

Such a move would help to restore confidence among creditor banks, believed to number more than 100, many of whom remain very confused about the situation, they argued.

Czechs stunned by steepest food price rises in 30 years

BY PAUL LENDVAI IN VIENNA

THE STEEPEST food price increases in three decades, together with other austerity measures, stunned people in Czechoslovakia during the week-end. But neither travellers from Prague and Bratislava nor diplomats reported any overt protests or strikes.

The Czech leadership has for months been preparing party members for "inevitable price adjustments" which finally came into force on Saturday and yesterday after a wave of panic buying.

A 15 to 18 per cent wage increase for miners, who protested against their working conditions last year, as well as increases in the lowest pensions and family allowances, are intended to cushion the impact of the stringent measures.

Nevertheless, the price increases came as a blow. In some cases, they were steeper than Mr Lubomir Strougal, the Prime Minister, indicated last week. Meat has gone up 41 per cent and meat products 17 per cent, pouutry 15 per cent, fish and game 14 per cent, sea fish 26 per cent, tobacco products 30 to 39 per cent, and wine 18 per cent.

The price of rice has been doubled after being fixed for two decades, while during the same period import prices have soared 300 per cent. Meals in restaurants have gone up 16 to 25 per cent.

Government officials and the official media have launched a campaign to explain that without price increases and other savings, the country would find itself heading for a catastrophic financial crisis.

The "frightening example of Polish extravagance" has often been cited at closed party conferences. The state last year spent Cr 30bn (£2.7bn at the official rate of exchange) on food price subsidies, 10 per cent of the state budget.

The previous prices charged for meat and meat products were 40 per cent below production costs. During the past five years, subsidies to support meat prices have doubled to Cr 12bn last year and would have risen to Cr 20bn by 1985.

The authorities are preparing for other austerity measures. During the next four years, administrative personnel will be reduced by 10 to 20 per cent. This means that at least 70,000 bureaucrats will lose their jobs by 1985.

Official cars and expense accounts will be cut by 10 to 30 per cent. Consumption of petrol and fuel oil will be reduced "by at least 10 per cent" and investment spending this year will be down by 3.3 per cent.

It is now officially admitted that industry, agriculture and construction failed to attain planned targets last year.

As the Soviets, according to Yugoslav sources, are reducing their crude oil shipments to Czechoslovakia by 2.5m tons this year, and as the leadership has publicly spoken out against raising money from the west, it is widely expected that the final draft of the five-year plan (1981-85) will be drastically revised and that further price increases may follow.

Sweden warned off arms deals with U.S.

MOSCOW—The Soviet Communist Party newspaper Pravda yesterday warned Sweden that its purchase of arms and military technology from the U.S. could "shatter trust" in its policy of neutrality.

Commenting on a new contract awarded by the Swedish Bofors weapons concern, Pravda said co-operation between Swedish industrialists and U.S. arms makers had risen to an unprecedented level.

"What matters is not only a considerable limitation of the independence of Swedish defence enterprises but also the fact that such co-operation may shatter trust in Sweden's policy of neutrality," Pravda said.

Pravda's warning, unthinkable a year ago, reflected the continuing strains in relations between Stockholm and Moscow following the stranding of a Soviet submarine in Swedish waters last October.—Reuter.

Portuguese party sees red over UK envoy

By Diana Smith in Lisbon

THE PRO-MOSCOW Portuguese Communist Party is demanding the expulsion of Mr Hugh Byatt, the British Ambassador in Lisbon.

The diplomatic incident erupted after Portugal's Labour Minister issued a communique claiming that Mr Byatt had delivered the congratulations of Her Majesty's Government for strike-breaking actions used in two recent public transport disputes in the Portuguese capital.

The stoppages had been called by Communist unions as part of the party's campaign to bring down Sr Francisco Pinto Balsemao's Government before liberalising reforms of the constitution can take place in April.

In a routine but, in his understanding, confidential meeting last week with Sr Quieroz Martins, the Labour Minister, Mr Byatt had discussed labour questions generally, including the national general strike called by Communist unions for February 12.

Believing the conversation to be the usual periodic, private exchange of views between a foreign diplomat and a government official, Mr Byatt mentioned the recent transport strikes and the successful use of private buses to keep Lisbon moving.

The Labour Minister, however, lifted the remark from a general context and interpreted it in his communique as official congratulations.

In so doing, he gave a militant, hot-tempered and frustrated Communist Party cause to turn on Mr Byatt, accuse him and the British of condoning (illegal) strike - breaking tactics and demand his expulsion.

Although a second communique was issued putting Mr Byatt's remarks into more accurate context, the gaffe played into Communist hands in another sense.

Just over a week ago, the Portuguese Foreign Ministry expelled two Soviet diplomats for "exceeding their diplomatic function." In fact, the gesture was intended as Portugal's response to Nato allies condemnation of martial law in Poland.

The Communist Party responded furiously at the time and now is throwing that gesture back in the Government's face, gleefully claiming that if Soviet diplomats can be thrown out of the country for "exceeding their diplomatic function" so can British ones.

W. German chemicals sales rise

By Kevin Done in Frankfurt

THE CHEMICALS industry, one of the most important in West Germany, boosted its sales last year to DM 118bn (£27.25bn), an increase in nominal terms of 9 per cent, but only as a result of strong demand from foreign markets.

Domestic sales dropped by 5 per cent and chemicals groups lost market share at home as imports continued to expand. They grew by 14 per cent, taking just under 26 per cent of the market, compared with about 24.5 per cent in 1980.

Exports, however, expanded by nearly 16 per cent, helped for much of the year by the weakness of the D-Mark. The growth in foreign sales allowed the industry to increase production by a modest 2 per cent. Chemicals exports to the U.S. jumped by around 31 per cent, to Britain by 32 per cent, to Japan by 29 per cent and to France by 10 per cent.

Demand was strong for pharmaceuticals and for agricultural and other speciality chemicals. But output in some sector, particularly commodity plastics, fell sharply, with producers' losses estimated at about DM 1bn (£230m).

Profitability declined significantly overall, showing only a 1.5 per cent net return on sales compared with 7.8 per cent in 1980 and 2.4 per cent in 1979, according to the West German Chemicals Industry Federation.

Chemicals companies were badly affected again last year by the sharp rise in the cost of raw materials and energy. Prices rose by up to 50 per cent in some cases. These additional costs could only be passed on partially in higher product prices.

There is uncertainty about future demand, particularly for basic chemicals which are coming on to world markets in increasing volumes from East bloc and Middle East producers. As a result, West German companies are cutting investment, and capital expenditure is expected to fall this year from the DM 7bn (£1.6bn) level of the past two years.

Professor Herbert Gruenewald, chief executive of Bayer and president of the industry federation, attacked the West German Government for placing too much emphasis on supporting applied, product-related research at the expense of basic research.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

Ten to press case against Parliament

BY OUR BRUSSELS CORRESPONDENT

THE ITALIAN Government, with Greece in its wake, yesterday bowed to majority wishes and agreed to allow a joint European Court case by the Council of Ministers against the European Parliament over the adoption of the 1982 EEC budget.

These decisions by Rome and Athens add another unusual element to an already extraordinary scenario. It is unusual for a member state to accept a majority vote on any politically sensitive issue, and both Governments were anxious yesterday to establish that they were doing so on procedural grounds without conceding any important precedents.

Until yesterday morning, Italy had appeared bent on blocking any court move through the Council, and Greece had indicated that it would follow any Italian line.

But the Belgian Government, as president of the Council, brought pressure to bear and the two countries finally agreed —without a formal vote—not to act as a blocking minority. Italy was thus seen to be acting in line with its evangelical support for more majority voting in the Council.

As a result, all Ten member states were also able to agree to hand over to the Commission yesterday their full monthly contributions to the EEC budget, although they believe the budget was illegally adopted. In addition, they have all agreed to open talks with the Parliament to seek a negotiated solution to the problem lying behind the third consecutive Council-Parliament budget conflict.

The Council is disputing the Parliament's right to add £123m to the £12bn budget endorsed by member governments in November.

Brussels likely to take France to court for barring Italian wine

BY JOHN WYLES IN BRUSSELS

FRANCE LOOKS virtually certain to face early action at the European Court following its surprising move to re-open the "wine war" with Italy by reviving a temporary ban on wine imports.

The raising of fresh barriers to Italian wine is seen in Brussels as an extraordinary act of bad faith by a French Government which only three months ago reached a political settlement allowing a resumption of the wine trade from the South.

By the time this agreement had been reached, the Commission had completed preparatory work on two cases accusing Paris of breaching the EEC's free trade rules by blocking Italian wine imports between August and October. At its meeting tomorrow the Commission is expected to dust off these cases and possibly to seek an interim injunction requiring France to lift its new restrictions.

The Italian reaction is so far limited to expressions of strong concern to M Gaston Thorn, the Commission president and Mr Poul Dalsager the Agriculture Commissioner. As before, the Rome Government wants to avoid retaliation, but a strong warning is bound to be issued to M. Andre Cellard, the French Secretary of State for Agriculture when he goes to the Italian capital on Thursday.

Officials in Brussels believe that Mme Edith Cresson, the French Minister for Agriculture, was panicked into the latest measures by renewed protests from French growers about the volume of wine coming in from Italy. According to Italian officials, she issued assurances in the middle of last week that she would not resort to any protectionist action.

There are few details yet as to the actual measures the French are employing to block the Italian wine. Last summer and autumn, they claimed that the documentation accompanying the wine shipment was inadequate and, on this pretext, held up more than 1m hectolitres at French ports

Mme Cresson is reported to be arguing that Italian wine imports have surged from around 200,000 hectolitres a month at the end of last year to 350,000 hectolitres in the first half of last month. This has begun to depress local French prices, although the majority of the Italian product is destined for blending with cheap French wine to give the latter more strength.

Finnish concern over jobless

By William Dullforce, Nordic Editor

RISING unemployment and a deterioration in the competitive power of Finnish industry are worrying the country's Finance Ministry.

Nevertheless, in its latest economic forecast, it expects the national income to grow by 1.5 per cent this year, slightly slower than it anticipated in

The Government's borrowing requirement is calculated to rise from FMk 5.2bn last year to FMk 7.5bn (£907m), part of which will be covered by foreign borrowing.

Industry's price competitiveness will decline for the third successive year, but the ministry expects the current account to move into FMk 1.5bn surplus. Exports are pegged to a 2 per cent rise in volume, with demand from Western markets offsetting a fall in that from the East.

Swiss expect bigger current account surplus

By John Wicks in Zurich

SWITZERLAND expects its current account surplus to rise to about SwFr 5bn (£1.4bn) this year. The Government's Commission for Economic Studies bases this estimate on the assumption that the Swiss franc will remain stable this year while the domestic economy shows a slight decline.

Such a surplus would be the highest since the 1976-78 period when it averaged SwFr 8bn a year. The current account surplus for last year is believed to be more than SwFr 4bn.

The trade deficit, which dropped by 30 per cent last year to SwFr 7.27bn, is expected to decline further this year.

Gaullist leaders know they are a long way from tasting power again, writes **David Housego** in Paris

Chirac plays moderate statesman to the political gallery

IF YOU had not known that M Francois Mitterrand had won last year's presidential election, you might sometimes have thought at the Gaullist RPR party convention at Toulouse last week that it was the Gaullists who were the victors.

After being re-elected as party leader with 99.1 per cent of the vote, M Jacques Chirac, Mayor of Paris and unsuccessful presidential candidate last May, took his curtain call with his hands raised above his head in the traditional Gaullist salute. The 15,000 party members packed in the hall thundered their applause, the Gaullist emblem—the "Croix de Lorraine"—was lifted high, and M Chirac led his supporters in a lusty rendering of the Marseillaise.

With the exception of the Communists, no other political party in France has such a knack of turning a political event into a family carnival. At least for the political Right, M Chirac has an unrivalled talent for showmanship and playing to a crowd.

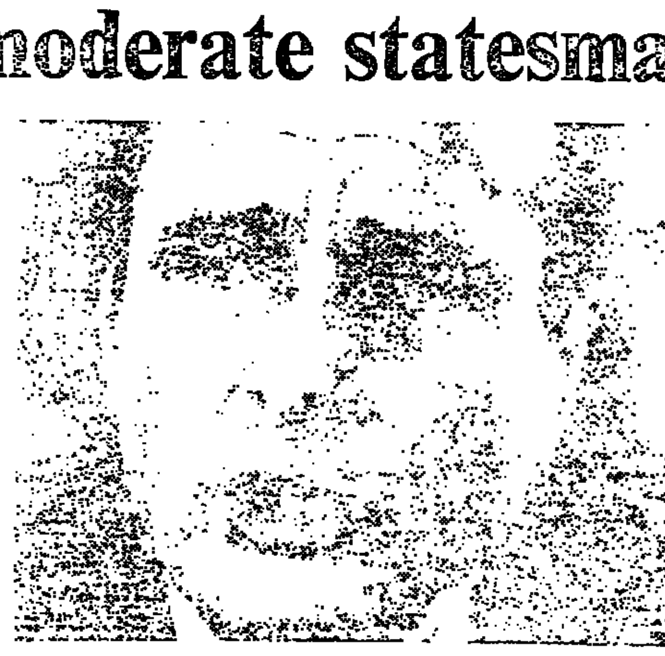
But the Gaullist leaders are under no illusion that it will be a long haul before they get another sniff of power. However, recent by-elections in which the Centre and the Right scored four unexpected victories have been a comfort in that they demonstrated that those who deserted the Gaullist fold last year rather than vote for M Valery Giscard d'Estaing have now returned.

In the continuing rivalry between M Chirac and M Giscard, the by-elections have also shown that the former President has even less grass roots support now than last May.

But the arithmetic of the votes and the likely changes to be made in the electoral system mean that the Gaullists are unlikely to make any major inroads into Socialist strength in the municipal elections next year or even in the 1986 legislative elections. Their real test will be the next presidential elections in 1988.

The Gaullists are thus aligning their sights on a long term target. They are convinced that the Socialist experiment will fail, although they no longer believe, as they did after the last presidential election, that there will be any sharp deterioration in the economy. The Gaullists foresee instead a slow decline.

Surprisingly perhaps, they no longer think that there is much political mileage to be gained in attacking [illegible]. Their strategy is based on the belief that the Socialists intend a radical transformation of French society and institutions, which will prove abhorrent to



Jacques Chirac: His goal is to establish himself as national leader of all those outside the Socialist camp.

the traditional, Catholic majority of the country.

An extremist evocation of this threat was given by M Bernard Pons, Secretary General of the party who told the Congress that the choice ahead was between a Marxist and a Republican regime. The roar of applause in response showed that many other Gaullists see it in these stark terms.

In line with this view, the party aims to become the focus of opposition for all those outside the Socialist camp. It is likewise M Chirac's goal to establish himself as the national leader of this movement, particularly over the rival claims of M Giscard.

In the eyes of the party faithful, he was crowned at Toulouse not only as leader of the Rassemblement Pour la Republique (RPR) but of the whole opposition—"the youngest, the most eminent, the most experienced and the most dynamic of statesmen in the western world," as one of his colleagues flatteringly described him from the platform.

In his conference speech, M Chirac sought to live up to this role of statesman and aspiring presidential candidate for the right, reviewing the domestic and international issues of the day with statesmanlike moderation. For the moment populist demagogry is being left to other party firebrands.

Doubts continue within the party as to whether M Chirac, with his unpredictability and his tendency to be swayed by the most recent opinion, would make a desirable President. But in opposition, he has the appropriate charisma, stamina and warmth of personality.

With the prospect of power so distant, a major problem for the party is to mobilise and sustain the enthusiasm of the rank and file. Next to the Communists, the RPR is the largest and best organised political party. It has 600,000 members compared with the Socialists' 250,000. As a populist movement appealing to nationalism, the RPR draws support from all classes. But after 23 years in power, the party has let its organisation slip. In the last legislative elections, its share of seats in the National Assembly slumped from 153 to 80.

M Michel Giraud, a senior figure in the RPR, reminded members at the convention that the Socialists' success had been built by expanding their youth membership, and then by a 10-year grass roots campaign which brought them gains in the cantonal and municipal elections before victory in the presidential election.

It is a lesson the RPR seems to be taking to heart. For the first time at a Gaullist congress, the hall was not decorated with the pictures of General de Gaulle and the elder barons of the party, like M Michel Debre or M Couve de Murville, seem to be stepping aside.

The rank and file were drawn into the running of the conference far more than in the past. A number of workshops were organised to debate the issues of most popular concern, such as trades unions, the media, and private schooling.

But if the RPR is seeking to be more democratic, it has not yet succeeded in drafting the younger generation of leaders which it needs.

In his platform speech, M Chirac set out the broad lines of a programme without being trapped into giving details. His starting point was that the Socialists' victory had demonstrated a real desire for change towards a more humane, less technocratic government, with more popular participation. Many of the Gaullists' interests, such as higher investment to spur growth, the priority of unemployment, work sharing in industry, are shared with the Socialists.

However, the Gaullists distance themselves from the Socialists in wanting to hold down deficit spending and reduce taxation and controls on industry. They attack the Socialists most fiercely for allowing Communists into the government and for threatening private (normally Catholic) education and health.

It is far from certain that the different and often divided factions outside the Socialists camp will accept M Chirac as the spokesman for the Right and Centre.

The RPR is drifting to the Right partly as a result of an influx of new recruits, many of whom are from the extreme Right with its tradition of violent agitation against the Communists. As a popular figure, M Chirac has more chance than other leaders of neutralising the far Right's influence. But his appeals for moderation are a recognition of how close to the surface lie the danger of political violence

BA chief forecasts stagnation for airlines

By Elaine Williams

SIR JOHN KING, British Airways' chairman, has warned that 1982 will not be a particularly good year for the airline, although its performance should be better than in 1981.

Sir John forecasts a period of stagnation for the aircraft business while the recession lasts, with an annual increase in passenger traffic next year of 3 per cent to 4 per cent on international routes and rather less on British domestic flights.

In an interview in Highlife, the airline's own magazine, Sir John says: "We are not looking for any growth in business at all but we are looking for a modest rise in fare levels and, more importantly, we're planning to reduce our costs sharply."

The airline will achieve this by cutting back on unwanted aircraft capacity while modernising its fleet, dropping a number of routes and reducing the frequency of some flights.

Even with these cuts Sir John says: "We have to have moderate increases because airlines have no magic immunity to rising prices."

Sir John believes that in real terms competition will edge prices downwards for the next few years. However he thinks that the price cutting war on Atlantic routes is absurd.

There are "too many seats chasing a market that simply isn't growing fast enough to fill them all."

The Atlantic route is an area where BA will be cutting back, and the airline is trying to persuade other companies to do the same.

In contrast, Sir John believes the introduction of lower fares in Europe, which will fill more seats, is taking too long.

"National interests are still a powerful force and not all European governments, or airlines, see it our way," he says.

There will be a gradual reduction in European fares he believes.

● British Airways yesterday announced big price cuts on tickets to Australia for a limited period later in the year. It is slashing tourist fares by almost half with return flights from £390 between March 15 and April 30.

'Holiday in Britain' campaign urged

BY ARTHUR SANDLES

THE BRITISH Tourist Authority wants a big increase in efforts to persuade the British to take their holidays in Britain.

Sir Henry Marking, chairman of the authority, accuses some of his tourism colleagues of "concentrating too much on the overseas market, and forgetting the huge domestic market."

His remarks, in an interview with the Financial Times, come on the eve of publication of the UK's latest travel statistics.

These are expected to show a late season recovery in traffic to the UK, particularly from the U.S. But there has been a considerable rise in spending by the British on foreign holidays.

"The huge number of Britons going abroad for their holidays worries me," said Sir Henry. "I would like to see a big campaign aimed at the domestic market.

"I see no reason why these people should not come back to Britain. When they do holiday here they are often surprised to discover just how beautiful their own country is."

The authority's main role is the promotion of Britain abroad. The English, Scottish, Welsh and Northern Ireland tourist boards are responsible for looking after foreigners when they arrive and for encouraging Britons to holiday in Britain.

Britain earned about £4bn from foreign tourism in the past year and perhaps another £5bn has been spent by domestic tourists. About 1.5m people rely on the travel business for all or a large proportion of their income.

Recently Sir Henry has been lobbying Whitehall and Downing Street for greater support for the industry, particularly in the field of job creation. "Tourism is more labour-intensive than industry and jobs cost far less to create".

He is seeking a meeting with Sir Geoffrey Howe, the Chancellor. Hotel VAT levels (the tax is payable on domestic holidays but not on foreign package tours) and taxes on hotel buildings are almost certain to be among problems he will raise.

The authority, encouraged by the revival in the number of Americans coming to Britain in recent months, will step up its marketing effort in the U.S.

"We are going to reinforce success," says Sir Henry. "It is now 20 per cent cheaper for Americans to come here than it was a year ago."

He rejected suggestions that the authority based too much of its overseas promotion on London, but added: "About 84 per cent of all our foreign traffic comes through the South East of England. If tourism in London fails then tourism nationally fails."

His comments coincide with the latest BTA report on visitors' attitudes to London.

Last summer they paid an average £23 a night for bed and breakfast in hotels and about £2 if they stayed on campsites. Spending on shopping has fallen from 41 per cent of total spending in 1977 to 27 per cent last year.

About 13 per cent of visitors thought London a very clean city, but 12 per cent thought it very dirty. Most of the rest thought it was fairly clean.

Visitors seemed to like pub prices, buses and theatres. They were most alarmed by Underground fares, cinemas, shopping, meals and accommodation.

LONDON'S TOP TEN
(1981 Foreign Visitors)

Tourist sites	Visited %	Tourist areas	Visited %
Piccadilly Circus	72	Oxford Street	66
Trafalgar Square	68	Regent Street	57
Buckingham Palace	59	Soho	40
Westminster Abbey	55	Knightsbridge	35
Houses of Parliament	49	Bond Street	33
Tower of London	44	Carnaby Street	29
St Paul's Cathedral	43	High St Kensington	28
National Gallery	30	Covent Garden	24
British Museum	27	King's Road	21
Madame Tussauds	24	Shaftesbury Ave	20

Source: BTA

Western nations urged to build oil stocks

BY RAY DAFTER, ENERGY EDITOR

BRITISH PETROLEUM is urging the governments of Western nations to build their own oil stocks to cope with limited shortfalls in crude oil supplies.

The company has suggested that each country should hold the equivalent of 10 days' consumption in readiness for problems which fall short of a full emergency but which could still lead to shortages and increases in oil prices.

These strategic stocks should be part of the compulsory reserves already held under guidelines laid down by the International Energy Agency and the European Economic Community, says BP.

The view has been expressed within the IEA and the EEC as well as in recent evidence to a sub-committee of the House of Lords Select Committee on European Communities. BP's suggestions come as the international community is trying to find ways of coping with "sub-crises"—such as the shortfall arising from the fighting between Iraq and Iran—which are not serious enough to trigger the IEA's emergency oil-sharing scheme.

The scheme is activated when there is a 7 per cent shortfall in supplies.

Most countries hold large oil stocks. The IEA's guideline lays down minimum stock levels equivalent to 90 days of net imports, whereas the EEC's guidelines require stocks to be up to 90 days of consumption.

However, BP points out, that most of these stocks are owned—and financed—by oil companies. It is advocating that 10 days of supply held in reserve should be controlled and financed by governments. The governments could then sell this oil to domestic refiners or other countries at times of "sub-crises."

It is estimated that normal consumption could be maintained for about five months when supplies fell by 3.5 per cent by the use of these strategic stocks.

If the situation worsened and countries imposed mandatory demand restraint, it would still be possible to cover a further two years of a 10 per cent supply shortfall before the stocks of oil-consuming nations reached a minimum working level.

Oil companies reckon that they need to hold the equivalent of 45 to 60 days' supply to maintain refining and distribution operations.

Rise in UK-made car sales forecast

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

AN IMPROVEMENT in domestic and export sales by the UK-based car manufacturers is predicted in the Economist Intelligence Unit's latest forecasts. But UK car production is not expected to climb back to 1m this year.

The unit, which has a good record for forecasting UK car sales, reckons that new car registrations this year will rise by 2.7 per cent to 1.5m. This would take them back almost to the 1980 level but still leave them trailing well behind the peak 1.71m for 1979.

The importers' share of the car market should fall marginally from 55.5 to 55 per cent, according to the unit.

Thus, importers' sales are expected to rise by 1.9 per cent to 825,000 cars while domestic makers should push up sales of UK-produced cars by 3.8 per cent to 675,000.

The unit's main reason for expecting a firmer new car market is that corporate profitability should be on an upward trend this year, boosting the business car sector, which accounts for about 70 per cent of total new car sales.

The outlook is less clear in the private-buyer sector because of the squeeze on personal disposable incomes. "It is highly probable that private buyers will increasingly be forced out of the new car market or defer purchasing."

The unit says car exports from the UK have been under pressure for some time and last year were particularly hit by BL's decision to stop selling all but the Jaguars in the U.S.

Exports this year are forecast to rise 1.7 per cent to 305,000.

The forecast assumes a continuation of Talbot UK's contract to supply car kits to Iran and that 50,000-60,000 kits will be prepared for export in 1982—lower than last year's total.

The UK is therefore unlikely to produce 1m cars this year. The unit looks for a 3.2 per cent increase in output to 980,000.

Motor Business No. 108, EIU, 27 St. James's Place, London, SW1A 1NT.

Alfa Romeo seeks more dealers and higher sales

BY JOHN GRIFFITHS

ALFA ROMEO (GB) is seeking to add a further 40 dealers to its 115-strong network this year, and plans to extend it to 200 by the time the joint Alfa Romeo/Nissan small car is in production in Italy in 1983/84.

Meanwhile it is introducing a number of new warranty and finance schemes which, with an upgrading of car specifications at no extra cost, are aimed at increasing UK sales this year to 10,000 from the 8,000 of 1981.

They are intended also to improve the cars' performance in terms of trade-in values.

Factors in the high depreciation rates have been an image of poor corrosion resistance in Italian cars—which Alfa Romeo and other Italian manufacturers claim is no longer justified — and high insurance groupings.

Thus a five-year anti-corrosion warranty is being introduced immediately and the company has launched its own insurance scheme in conjunction with a Lloyd's syndicate.

At the same time the existing optional extended warranty scheme on new cars is being offered for two years instead of one, and a used car warranty is being launched in two versions.

The first provides for its dealers to offer a 12-month unlimited mileage warranty on cars up to four years old with less than 60,000 miles recorded. It also applies to cars other than Alfa Romeos.

The second is a six-month, 6,000 mile warranty of used cars of any age, provided they have had a major service by an Alfa Romeo dealer.

The UK company is also launching its own hire purchase operation through a new company formed jointly with Mercantile Credit.

The joint Alfa/Nissan cars will be built at the rate of about 60,000 a year by a new joint company, Arna, about half of which will be exported to other European markets including the UK.

● A top-up warranty scheme is announced today for Fiat and Lancia buyers.

Dubbed "Mastercover 2," the new warranty covers either one or two years of a car's life after the manufacturer's warranty—covering the first 12 months—has expired.

Print industry to standardise lottery tickets

By Alan Pike

THE PRINTING industry is introducing new arrangements to ensure that instant lottery tickets are produced to acceptable standards.

All members of the British Printing Industries Federation (BPIF) instant lottery ticket printers section will have to comply with a code of practice registered with the Office of Fair Trading, and their tickets will bear a logo showing they comply with the approved code.

Under the scheme laboratory tests will be carried out on a selection of tickets by PIRA, the independent research association for the printing, paper and packaging industries.

It will be compulsory for all BPIF lottery ticket printers to carry out within one month any mandatory recommendation made by PIRA for changes in their tickets.

More pay likely for directors, says survey

By James McDonald

FOR THE first time for some years directors and executives in profitable companies can expect more generous increases in pay this year, on a percentage basis, than office or shopfloor workers, according to a survey of 1982 remuneration plans of 28 companies.

The typical director can expect an increase of about 8 per cent in earnings. The range will be from no increase to 13 per cent, says Mr Tony Vernon-Harcourt, editor of Remuneration Studies, the Charterhouse Group, and a partner in Monks Publications.

The typical shopfloor increase, it is suggested, will be 8 per cent, with a range between 5 and 9 per cent.

"Productivity concessions will be a feature of many increases, so costs may be less than the declared percentage increase in earnings. Standard working hours will continue to be reduced".

"Company Remuneration Plans for 1982", Monks Publications, Debden Green, Saffron Walden, Essex, £2.90.

'Buy British clothing' pledge

THE GOVERNMENT has assured the clothing industry that it will continue to press its "Buy British" policy in its purchasing programme. The British Clothing Industry Association sought this official response because it feared some public authorities were buying the cheapest goods on the market.

Behind this fear is the knowledge that suppliers in such places as Hong Kong, Taiwan and South Korea, in many other Third World countries and in some Eastern bloc States can supply at prices which British manufacturers cannot match.

More heat pumps for Key Markets

FIVE NEW stores in the Key Market fresh fish and food chain are to be fitted with heat pumps instead of conventional heating and ventilation equipment.

The pump, said to be about three times more efficient than a conventional electric fire, works like a refrigerator in reverse, using a compressor to transfer heat from a low-grade heat source and then raise temperature. The stores will be fitted with 35 pumps supplied by the Trace Group, of Witham, Essex.

Ulster managers' in buy-out

LOCAL MANAGEMENT of the American-owned sock-makers, the V-F Corporation at Newtonards, Northern Ireland, is buying out the factory, helped by the Northern Ireland Development Agency. The move, still being negotiated, was disclosed by a spokesman for V-F in London.

Directors at Newtonards hope to employ more than the present 350 workers eventually. The new consortium will be named Berkshire Hosiery (UK).

The trade names of Berkshire, Blaxnit and Poodle will continue.

Electricians' dispute stops first broadcast by Central TV

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE MUCH-PUBLICISED launch yesterday of Central Independent Television, the service replacing ATV in the Midlands, was marred by a dispute involving electricians.

The new company was created in response to pressure to improve regional coverage, particularly in the East Midlands. It was unable to broadcast from its temporary studios at Giltbrook, Nottingham, opened yesterday by Sir Brian Young, director-general of the Independent Broadcasting Authority.

Central said the electricians—a small but important section of the workforce—were demanding a big rise in pay and staffing levels to operate the studios. Agreement had been reached with all other employees, including journalists and technicians.

Negotiations with the electricians are continuing, but Central said it was impossible to say when it would be able to start the promised four hours a week of programmes for East Midlands viewers.

Central has mounted a £500,000 publicity campaign over the past week, placing full page anonymous advertisements in national and Midlands newspapers.

The IBA made it a condition of the award of the franchise to Central that there should be two studio centres, one for the East and one for the West Midlands.

Lord Grade's Associated Communications Corporation, which owned ATV, the franchise holder for 25 years, has been allowed only a 51 per cent holding.

The remaining 49 per cent was offered for sale in the hope of getting greater regional involvement, but D. C. Thomson, the Scottish-based newspaper publishers, picked up about 15 per cent and Ladbrokes 10 per cent.

The Giltbrook studios will operate until a £20m complex at Lenton Lane, near Nottingham city centre, is ready in autumn 1983.

About 500 people will eventually be employed in Nottingham compared with the present 150.

Central is also expanding the former ATV studios in Birmingham, increasing employment there by about 200 to 900 over the next two years.

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Banks propose alterations to Civil Service pay deals

BY PHILIP BASSETT, LABOUR STAFF

CLEARING BANK employers want pay settlements for Britain's 530,000 white-collar civil servants to take more account of the general trend of pay deals when the Civil Service increase is being negotiated.

The Federation of London Clearing Bank Employers, representing the major banks in England and Wales, sets out its views on Civil Service pay determination in evidence to the Government's inquiry into Civil Service pay.

The inquiry, which was set up following last year's 21 week civil servants' pay strikes and is chaired by Sir John Megaw, is due to report by midsummer.

It is likely to give considerable weight to the banks' views, since comparisons with their closely related conditions of pay and service were at the heart of the Civil Service's system of pay comparability. The Government's scrapping of this system led directly to this year's dispute.

The banks propose a key alteration to the old pay system. Under this comparability scheme data provided by the Pay Research Unit was analysed to produce True Money Rates (TMRs), taking account of such elements as pensions, company cars and other fringe benefits.

The banks note that the calculation of this TMR "virtually sets the level of the award," and concludes that it instils an expectation of automatic increases, which should be ended.

"By disposing of this calculation, greater heed may be paid to the general level of awards in the private sector and closer account taken of the prevailing economic circumstances."

The banks suggest that some form of data collection units, such as the PRU, needs to be retained, though the information it produced would indicate trends rather than absolutes.

On the question of civil servants' index-linked pensions, the banks say that while socially desirable, the level of finance necessary to support such schemes is impossible in the private sector.

Docks union set to merge

BY BRIAN GROOM, LABOUR STAFF

A HUNDRED YEARS of strong family traditions and dockside rivalries are set to end with a prospective merger between the powerful Transport and General Workers Union and the last independent docks union, the National Amalgamated Stevedores and Dockers.

Talks between the "white" and "blue" dock workers—traditional names arising from the colour of the cards they carried—began last spring, and are likely to result in a deal this month.

The two were fierce rivals in the mid-50s, but time and the steep deline in the dock labour force have caught up with NASD. The "blues" had 14,500 members in 1955, but they now number 1,900—of whom 750 are retired.

This decline has brought financial problems. Mr Les Newman, NASD general secretary, said the union could no longer remain financially viable without raising subscriptions to a level which might prove unbearable.

When agreement is reached with the transport workers, it will be explained at meetings in London, Hull, Manchester and Liverpool. It will then go to ballot.

Government orders security blackout on Burgess and Maclean papers

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT has ordered a security blackout on secret Foreign Office documents on Guy Burgess and Donald Maclean, the diplomats who defected to the Soviet Union in 1951 after spying for the Russians for many years.

The documents, which could shed new light on the controversy over the two men, were due to be published yesterday under the rule which allows Cabinet minutes and other Government documents to be released after 30 years.

But the Government has ordered that they should be withheld indefinitely.

Nevertheless, brief references in the Cabinet proceedings and the personal minutes of Prime Minister Clement Attlee indicate that a month after the two defected, he and other ministers had not been warned that they were suspected of spying.

The decision to suppress the main documents shows that the Foreign Office and the Security Services are still highly sensitive over the affair, particularly after recent disclosure of the activities of Anthony Blunt and other officials in the post-war period.

The action has been taken by the Foreign Office under the Public Records Act 1958. This allows a department to withhold papers for "administrative or other purposes" if the Lord Chancellor—in this case Lord Hailsham—gives permission.

Earlier this year, a committee under Sir Duncan Wilson suggested that this process should be subject to approval by a review committee. This latest decision will undoubtedly lead to renewed pressure for such a scheme to be implemented.

The documents on the two diplomats relate to reports on their disappearance, the file of the Foreign Office Security Department, the activities of the Diplomatic Communications Department and official guidance issued to the Press at the time.

Maclean, who was acting head of the American Department, and Burgess, Second Secretary at the British Embassy in Washington, disappeared on May 25, 1951. The story came out in the Press on June 6 and a statement was then made to the Commons.

Ministers were told at the Cabinet on June 11, 1951 that it might become necessary to hold a formal inquiry into the disappearance. This would "provide an opportunity for restating the principles which should govern the standards of personal conduct of officers in the Foreign Office."

There is no mention of the possibility of espionage.

On June 10 Attlee wrote a short minute to Herbert Morrison, Foreign Secretary. The contents indicate just how ill-informed Attlee was on the affair.

"I should like to have a report on these men and their careers," he wrote. "It appears to be known that their characters were unsatisfactory. Was any consideration given to these matters in continuing them in the service or in appointing them to their positions of responsibility?"

In what must be the understatement of all time, Attlee added: "There is likely to be a lot of public criticism."

Ironically, Attlee's minutes reveal that some months earlier he had ordered Sir Norman Brook, the Cabinet Secretary, to carry out a confidential inquiry into the secret intelligence and security services. Presumably this was in the wake of the security scandal of the previous year when Dr Klaus Fuchs was sentenced to 14 years for passing atomic secrets to the Russians.

Sir Norman's report—the contents of which are not disclosed—was received in March 1951 and circulated to key ministers, some heads of department and the heads of MI5 and MI6.

Immigration laws dropped

THE CABINET considered during the year the possibility of introducing strict laws to control the flow of immigrants into Britain from the colonial territories, mostly the West Indies and West Africa.

But the idea was dropped after a committee of ministers under Mr J. Chuter Ede, the Home Secretary, examined it and recommended against legislation. Nonetheless, they recognised that their decision could result in a much heavier flow of immigrants in following years.

A report from the committee on July 24 estimated that there were 30,000 West Indians, West Africans and Moslems in the UK—an increase of 5,000 since 1945.

Methods of controlling entry would be to declare them aliens or deport those who had been in the country for two years and had drawn national assistance, been convicted of a serious crime or attempted to create industrial unrest.

The report commented: "The UK has a special status as a mother country and there would be strong opposition to a proposal to restrict the freedom of British subjects to remain in the UK."

It feared that there would be objections that a "concealed colour test" was being imposed. At the same time it felt that, as standards of living were lower in the colonies, there could be considerable immigration in the long run as the national assistance scheme and social services in Britain were a considerable attraction.

Graphic account of Bevan exit

THE TURBULENT events surrounding the resignations of Aneurin Bevan and Harold Wilson from the Attlee Government are recorded in a graphic blow-by-blow account in the Cabinet minutes.

By January Bevan was grumbling about the size of the defence budget and warning that he would not accept a reduction of the National Health Service which he had founded.

On March 22 Hugh Gaitskell, Chancellor of the Exchequer, gave the Cabinet an outline of the Budget which he was to present on April 17. Gaitskell said there was no alternative to pruning the NHS by £10m and introducing charges for prescriptions, spectacles and dental treatment.

This provoked an outburst from Bevan, who was then Minister of Labour. He accused the Chancellor of departing from Labour Party principles for the sake of "a paltry increase in revenue."

Wilson, President of the Board of Trade, backed Bevan. He said the NHS was a symbol of the welfare state and the Government could not be seen to be abandoning it.

The climax came on April 9 at a Cabinet meeting at 10.30 am. Attlee was in hospital and the chair was taken by Herbert Morrison.

Bevan immediately launched a fiery attack describing Gaitskell's proposals as politically dangerous. He said he could not see how he could vote for such a Bill. If the Cabinet reaffirmed its decision on health charges, he would be obliged to resign.

But Gaitskell stood firm and said the Budget was a carefully constructed plan for the nation's finances. Many of his efforts to secure reductions in other areas had been frustrated and he had reached a point where he could not make any further concessions.

Several ministers warned that if Bevan resigned an acute political crisis would follow and Labour's chances of winning the general election would be prejudiced.

Morrison then adjourned the meeting so that he could go to the hospital to inform Attlee of the situation.

The meeting was resumed at 6.30 pm when Morrison read out a message from Attlee which, although conciliatory, came down firmly on Gaitskell's side.

Attlee said the Chancellor had responsibility for national finances and no other minister ought to claim that his particular estimate should be sacrosanct.

He pointed out that it would be most unusual for a minister to resign on a Budget issue. The only one to have done so was Lord Randolph Churchill "whose political fortunes had never recovered thereafter."

The Prime Minister said it would be folly for a minister to provoke a political crisis at a time which could hardly be worse for a general election. If this happened, he said, the responsibility would be on Bevan's shoulders.

There was a gloomy general discussion, with ministers predicting disaster at the next general election.

Wilson said he wished to make it clear that if the Cabinet stuck by its decision he would also feel obliged to resign. Bevan said the responsibility lay with those who proposed the health charges, not with him.

A vote was taken and only Bevan, Wilson and George Tomlinson, Minister of Education, voted against the charges. The meeting ended with a terse statement from Bevan that he would hand in his resignation to the Prime Minister the next day.

Defence worry for Churchill

THE PERSONAL minutes of Winston Churchill, returned to power in the general election of October 1951, show that he was greatly preoccupied by defence and the military threat of the Soviet Union.

He wrote to Sir Henry Tizard, his scientific and defence adviser, expressing fears that in the event of war the Russians might drop atomic bombs on British ports.

He saw Russian submarines and mines as a "mortal danger" to Britain's sea communications and suggested that air attacks on Soviet naval bases would be the best answer to this threat in a war.

The view that Cabinet business was carried out in a lax fashion in Churchill's declining years is born out by the minutes.

He fired off a blistering note in December to Florence Horsburgh, Minister of Education, because an announcement of education cuts had been made without being authorised by the Cabinet.

"I was surprised to read the announcement," he wrote. "No such statement should have been issued by you without Cabinet authority. The timing seems also to have been most unfortunate. Pray let me have your explanation."

He also gave a severe ticking-off to Peter Thorneycroft, President of the Board of Trade, for going to Lancashire and Yorkshire instead of attending a Cabinet meeting.

"It is your first duty to attend meetings of the Cabinet. Exceptions should be very rare.

Brown opposed Hilton Hotel

THE CABINET minutes show how George Brown, Minister of Works (now Lord George-Brown), strongly opposed the building of the Hilton Hotel in London at that time.

The Government's Production Committee had refused a licence to the Hilton Hotels Corporation of America on the grounds that there was a shortage of steel. The Cabinet reviewed the decision in August.

Sir Hartley Shawcross, President of the Board of Trade (now Lord Shawcross), argued that plans for erection were far advanced and the corporation had already spent £50,000 on the project. He pointed out that the hotel would bring in dollars and that strong representations could be expected from the U.S. Embassy if the scheme was blocked.

George Brown objected that the building would take up scarce resources of labour and materials and thus delay the housing and rearmament programmes. Other ministers maintained that it would be politically difficult to justify granting a building licence for a luxury hotel in London at a time of housing shortage.

In the end Prime Minister Atlee ruled that it would be inexpedient to grant a licence

THE YEAR IN THE MARKETS

The Yankee Doodle dance

BY JEREMY STONE

IT WAS a rough year for the world's stock markets. Something of the struggle is shown by the fact that Capital International's world share index now stands about 10 per cent *below a peak* which it reached in the first week of January 1981. It was possible to make money by investing in shares, but the odds were against.

Individual markets soared—and almost as frequently crashed—for reasons peculiar to themselves. In different places, shares felt the influence of masonic scandals, piano-playing clairvoyants, and socialist election victories. There was little encouragement from the world economy. *Above* all, 1981 was a year when markets danced to the nervous rhythm of American interest rates.

The year was given its focal point in the final week of September, when fears about the magnitude of the U.S. budget deficit sapped confidence in New York. Doubt was transmitted almost instantly to the other main financial centres. On Monday, September 28, the six largest stock markets—accounting for about 90 per cent of the value of world equities—plunged together to a new low (or at least got very close). That Black Monday emphasised their increasing interdependence.

Earlier in the year, markets had risen strongly. The Dow had cleared 1,000 and was tipped by analysts to carry on upward. In April, the FT Industrial Ordinary Index had come near to breaking through 600 for the first time (without quite looking as if it would make it); the All Share actually reached a new historic high as late as August. More spectacular gains also took Singapore, Hong Kong and Tokyo to all-time highs.

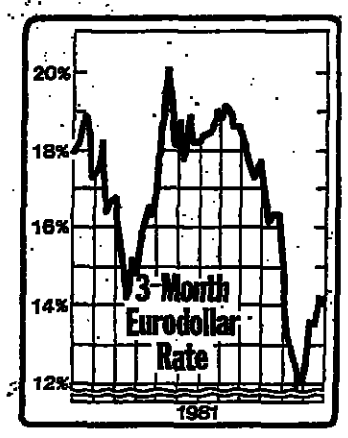
But by the end of August, the corporate sector had offered the markets enough in the way of new equity and debt issues to take the edge off their appetites. There was a flood of new issues in New York, Tokyo and *London. Institutions had run* their cash holdings down to comparatively low levels in absorbing the new issues. So the stock markets were liable to drift for a while, until the institutional cash flow and the supply of fresh stock came into more of a balance. But this did not account for the crash to come.

It looks as if the explanation is to be found in the growing tendency for funds to be invested — and managed — internationally. The trend was certainly given an upward nudge when British institutions were freed of exchange controls; they have gone energetically into overseas equities. Over the same period there has also been an increased flow of oil money into equities, while U.S. institutions have placed much more weight on their foreign portfolios.

American fund managers — for example — who want to increase their liquidity may as easily choose to realise investments in Frankfurt or Tokyo as on Wall Street. In a period when the dollar is rising, this line of action will be particularly attractive to them. And if these local markets weaken, local investors will try to guard against the resulting falls in Hitachi or Siemens by taking care to sell the stocks in which foreigners are known to have large positions. Pre-emptive selling of this sort was a pronounced feature of the Tokyo market in September; the heaviest falls were in the blue chips which foreigners had bought during 1980.

As more stocks are inter-*listed on several* major exchanges, price movements in one market can be determined by dealings on the other side of the world. *It is* now *quite* common for Japanese blue chips to be more heavily traded in New York than Tokyo—and quite possible for the Tokyo price to be moved by local investors' attempts to anticipate the New York market.

Perhaps the most important linkage is imposed by the inter-



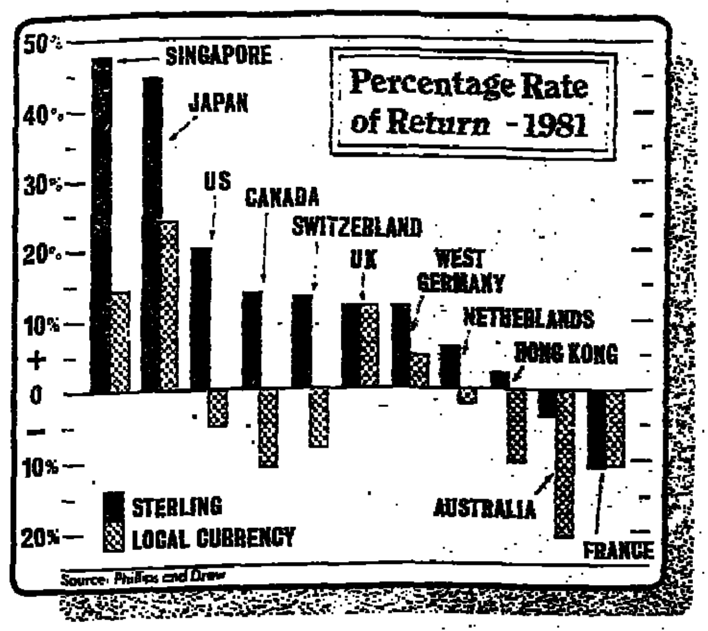
national structure of interest rates. Under floating exchange rates, if the *international* differentials between domestic interest rates change significantly, there tends to be an almost immediate impact on local money costs and—at one remove—on share prices. However, the most strenuous efforts to manage domestic interest rates are less successful than in the past, thanks to the mushrooming of lending in Eurocurrency.

Interest rate changes in the U.S. *inevitably dominate* whatever may be happening in other money—and bond—markets. when U.S. monetary policy requires primes in excess of 20 per cent, the authorities in other countries have to follow, at a *exchange* rates are to be pre-distance, if differentials and served. Bond prices fall, but equity prices are apt to cling to levels suggested *by asset* values and earnings estimates. This has occasionally led to 10-point gaps between bond and equity yields. At times this year—notably in the weeks before the September crunch—when this left equities looking dangerously overpriced in relation to bonds. Any weakening of bond markets demanded that *share prices* move down in line.

Technical factors of one sort or another also precipitated much of the action in several smaller markets.

Before the Straits Times index peaked in June, the bull market in Singapore had begun to attract worried *comments.* Stock was circulating far too rapidly for anyone to believe that the market turnover was based on anything *other than speculative* positions. When the market came down, it did so without a parachute as the speculators accused *one another* of selling short. Early in September, after the market had fallen 37 per cent in two *months,* the Singapore Exchange ruled that share sales could be effected only if the underlying certificates were delivered *within* 24 *hours.* (Foreign brokers were understandably upset).

All in all, it is rather sur-



prising that so much ground was made up by the year-end; but it was largely the strength of the Singapore dollar which gave such a handsome return to UK investors.

In contrast, it was the Hong Kong authorities' decision to defend their currency by raising interest rates which sent the Hang Seng index backwards a few weeks after things went wrong in Singapore. Prime rates of 20 per cent took the steam out of the property sector, margin operators stopped borrowing, and the stock market sagged. After the index had fallen 15 per cent in two months, Hong Kong's two largest exchanges re-imposed the moratorium on new issues which had been lifted in May; they believed the market was being drained *dry* by a *rush* of *new paper.* The moratorium did not help much, for when Wall Street reached a new low on September 24, the Hang Seng fell 5 per cent on the day as small margin speculators took *fright.*

Italy was the star performer of 1980, and carried on frantically into 1981. On record turn-*over,* the Milan bourse rose by a further 68 per cent. But in June the combined effect of the P-2 freemasonry affair, the fall of the *Forlani Government, and* the arrest of seven leading financiers on currency charges, set up a wave of profit-taking. *It soon turned into a rout.* Early in July the run had got so far out of hand that the Government closed the bourse in order to stop prices *falling* even further.

The two losers of 1981 were France and Australia, at least in sterling terms. By adding a weak currency to a nationalisation programme, France has contrived to offer the worst returns to British investors in the last year. The Mitterand election lopped 30 per cent off Bourse prices in less than a month; the disappointing return in the chart takes account of the recovery which came when nationalisation terms proved more generous than had been feared.

Australia gave its local shareholders an even worse time. Following two years of extremely rapid appreciation, as resource stocks became the height of fashion, Australian equities ran into an oil glut and lower metal prices.

Canada served well enough as a currency speculation, being yoked very firmly to the U.S. dollar. But as a resource-based market, with a bias to oil-exploration, it fared very poorly indeed in local terms—down by about 15 per cent in capitalisation.

On the surface the economic case for Sweden was scacely more attractive. And as it happened the year's stock market success *story* was founded on technicalities rather than economic strength.

That leaves two important markets which, in their different ways, remain inscrutable. Tokyo was easily the best performer in the first division. A strong currency has amplified the strength of prices over the year. Yet it scarcely seems that the equity market has done *justice to the strength* of the economy. Exposure to international shocks may be one reason, lack of liquidity *coupled with heavy margin dealing* another.

German equities have again proved an embarassment to *their friends;* after *making* some progress up to the middle of the year, the Frankfurt market came all the way down again. Yields are attractive only to local investors, and capital appreciation seems a rather bad joke. But the argument is that the Bundesbank may well have room for further monetary relaxation in the new year, and the economy is still sounder than most.

MARKET INDICATORS AROUND THE WORLD

	P/E Ratios	Dividend Yields	Bond Yields Long	Bond Yields Short	Short-term Money Rates	
U.S.	8.15	5.57	14.25	14.41	13.25	U.S. fed funds
Japan	17.90	1.70	8.57	8.27	6.47	Japan call money
UK	9.10	6.02	15.89	16.70	14.69	UK T Bill
Canada	8.30	4.70	15.15	15.00	15.50	Canada day-to-day
Germany	8.80	6.30	9.90	10.10	10.55	Germany overnight
Australia	9.80	4.90	15.00	14.90	16.50	Australia short-term money
France	6.00	8.60	16.47	16.21	15.38	France overnight
Switzerland	10.80	3.50	5.45	5.40	10.57	Switzerland 1-month
Hong Kong	12.50	4.00	—	—	—	Hong Kong
Netherlands	5.40	7.80	11.46	10.89	10.63	Netherlands 7-day
Singapore	21.80	2.00	—	—	—	Singapore

Source: Phillips & Drew

(1) All indicators calculated at December 23 1981.
(2) Yields and p/e ratios for the U.S. are based on the Standard and Poors 500; those for the UK on the FT-A All Share and 500 Share Indices respectively. For other markets calculations based on Capital International indices.
(3) Short-term bond yields are 5-year maturities in all markets. Long-term yields are for 10 years and over for each market; in the U.S. and UK maturities are 20 years.
(4) Suitable bond and money rates not available for Hong Kong and Singapore.

Uneasy plateau

NEW YORK

DAVID LASCELLES

NINETEEN EIGHTY ONE was supposed to go down in the annals of Wall Street as the dawn of a new era when share prices would haul themselves out of a 15-year rut and soar to new heights on the wings of Reaganomics. Instead, the market spent most of the year sinking into a gloomy mire, and the Dow Jones Industrial Average ended up nearly 100 points lower than it started.

Ironically, much of the blame must go to the very man who inspired all those hopes in the first place: Ronald Reagan. Even though he threw himself with extraordinary vigour into the task of revitalising U.S. business by hacking away red tape, cutting taxes and calling off the anti-trust hounds, it was his ever-mounting budget problems that constantly grabbed the headlines.

Shudders of anxiety kept rippling through Wall Street as bigger deficit projections poured out *of Washington* where the Administration was struggling to find spending cuts that would balance the tax cuts. By *the end of the year,* Wall Street's faith in Reaganomics was still alive, but only just.

The budget fears meant just one thing for the market: interest rates. The prospect of the Treasury being forced *to* borrow on a scale never seen before drove interest rates up to record highs. The prime rate was over 20 per cent much of the year, and even the U.S. Government had to pay over 14 per cent for its money.

Behind the White House there lurked the Federal Reserve Board, about which Wall Street could never make up its mind. On the one hand, it castigated Mr Paul Volcker, the chairman, for running an excruciatingly tight monetary policy. But on the other, it implored him not to cave in like so many of his predecessors once the going got tough. The "bottom line," however, was *that the Fed's tight fist drove* the U.S. economy into its second recession in only 18 months, and this, combined with high interest rates, brought the stock market to its knees.

By late summer, after the Dow Jones had struggled valiantly to set a new record high above the 1,000 mark, it collapsed. And the story this autumn has been one of steady decline, levelling out into an uneasy plateau of wait-and-see.

Interest rates not only clobbered the market because they ruined the company profit outlook. They also produced such juicy yields in the fixed income market that shares did not stand a chance. Blue chip *stocks* yielding single digits paled beside bonds yielding in the mid- to upper-teens, and the money market funds which offered 17 per cent most of the summer.

But even investors who favoured the stock market had a tough job knowing where to turn. Defence stocks were popular for a while because of the Reagan stress on *the military.* But lead times in the defence industry are longer than many investors' patience. High technology stocks also held an early appea*

So where else could one turn? *Energy stocks* were hit by declining oil prices and the glut in the petroleum products market, the airlines were *reporting huge* losses (*though* on the transportation side, railway stocks did well thanks to deregulation and the growth of coal haulage), forest products did not bear thinking about because of the housing slump, and as for autos, steel and capital equipment, the less said the better. Interest rate-sensitive stocks spent the first nine months in the doldrums.

Small wonder, therefore, that freakish plays, or what stockbrokers prefer to call "special situations" were all the rage. And there were plenty of those as the U.S. was hit by a merger wave of gigantic proportions. Du Pont-Conoco, Fluor-St Joe, Sohio-Kennecott, Standard Brands-Nabisco, INA-Connecticut General, American Express-Shearson, Prudential-Bache—most of these were multi-billion dollar deals. But for the stock market, *size* was of less consequence than the trend, and take-over fever became a raging epidemic.

Medium-size oil company *shares, particularly* those with rich oil and gas properties, surged in value only, in many cases, to crash again when the *bubble burst.* Stockbroking companies, who spend most of their time nosing into other companies' financial affairs, suddenly found the tables turned on them as merger mania hit the financial service industry. Five leading Wall Street firms were bought up during the year, and the stocks of those that were not frequently figured on the "most active" list.

MONDAY	870.34	−3.04
TUESDAY	868.25	−2.09
WEDNESDAY	873.10	+4.85
THURSDAY	875.00	+1.90

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %	
Abbey National	9.50	9.75	11.00	11.76	6 years. Sixty plus, 10.75 1 year high option, 10.25-11.75 1-5 years open bondshare '
Aid to Thrift	10.50	10.75	—	—	
Alliance	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 yrs., *11.00 £500 min., 3 mths.'* notice
Anglia	9.50	9.75	11.00	12.00	6 yrs., 10.75 1 mth. not. int. loss
Bradford and Bingley	9.25	9.75	11.00	10.75	1 mth. not. deposit
Bridgwater	9.50	9.75	11.25	11.75	5 yrs., 10.85 2½ yrs.
Bristol Economic	9.75	10.50	11.00	9.75	3 months' notice and 10.75 on balance of £10,000 and over. Escalator shs. 10.25-11.75 (1-5 y)
Britannia	9.50	9.75	11.00	11.25	4 yrs., 11.00 2 months' notice
Burnley	9.50	9.75	11.00	11.75	5 yrs., 10.75 3 months' notice
Cardiff	9.50	10.50	11.50	—	
Catholic	9.50	10.00	11.00	11.25	Extra *share 3 months' notice*
Chelsea	9.50	9.75	11.00	11.75	5 yrs., 11.15 1 yr., 11.00 3 mths.
Cheltenham and Gloucester	9.50	9.75	11.00	—	
Cheltenham and Gloucester	—	10.75	—	—	Gold Account. Savings of £1,000 or more (9.75 otherwise)
Citizens Regency	—	10.00	11.25	12.00	5 yrs., 11.05 3 mths.' notice a/c, 11.30 6 mths.' notice a/c
City of London (The)	9.75	10.00	11.25	11.25	Capital City shs. 4 mths.' notice
Coventry Economic	9.50	9.75	11.25	11.50	4 yrs., 11.25 3 yrs., 11.00 3 mths.
Derbyshire	9.50	9.75	11.00	10.25-10.85	3 months' notice
Ealing and Acton	9.50	10.25	—	10.90	2 years, £2,000 minimum
Gateway	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Gateway	—	10.75	—	—	Plus a/c £500 min. Int. ½-yearly
Greenwich	—	10.00	11.25	12.00	5 yrs., 11.25 3 months' notice
Guardian	9.50	10.00	—	11.75	6 mth., 11.25 3 mth., £1,000 min.
Halifax	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Heart of England	9.50	9.75	11.00	—	3 mths.' notice 10.75, 5 yrs. 11.75
Hearts of Oak and Enfield	9.50	10.00	11.50	11.25	4 *yrs.,* 11.00 3 *yrs.,* 10.75 2 *yrs.*
Hendon	10.00	10.50	—	11.50	6 mths., 11.25 3 mths.
Huddersfield and Bradford	9.50	9.75	11.00	11.25	5 yrs., 11.25 4 yrs., 10.75 3 yrs., 10.25 2 yrs., 11.05 Golden key 28 days' penalty interest
Lambeth	9.50	10.00	11.75	12.00	5 yrs., 11.75 6 months' notice
Leamington Spa	9.60	9.85	13.20	11.35	1 year
Leeds and Holbeck	9.50	9.75	11.50	11.75	5 *yrs., 10.75 1 mth. int. penalty*
Leeds Permanent	9.50	9.75	11.00	10.50	E.I. a/c £500 min., 10.75 £5,000+
Leicester	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 mths.
Liverpool	9.50	9.75	11.05	11.75	5 yrs., 10.80 1 mth. int. penalty
London Grosvenor	9.50	10.25	12.00	10.75	3 months' notice
Mornington	10.20	11.00	—	—	
National Counties	9.75	10.05	11.05	10.75	35 days' notice min. dep. £500, 6 mths.' 11.15 min. dep. £500
Nationwide	9.50	9.75	11.00	11.75	5 yrs., £500 min. 90 days' notice. Bonus a/c 10.50 £2,500 min., 10.75 £10,000 + 28 days' *notice*
Newcastle	9.50	9.75	11.00	11.75	4 yrs., 10.75 3 mths.' notice or on demand 28 days' int. penalty
New Cross	10.50	10.75	—	10.75-11.50	on share accs., depending on min. balance over 6 months
Northern Rock	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Norwich	9.50	9.75	11.25	10.75	3 yrs., 10.50 2 yrs.
Paddington	*9.25*	*10.25*	*11.75*	*11.25*	Loss 1 month int. on sums wdn.
Peckham Mutual	9.75	10.75	—	11.25	2 y, 11.75 3 y, 12.25 4 y, 11.0 Bns.
Portman	9.50	9.75	11.25	11.75	5 yrs., 11.00 6 months' notice, *10.75 3 months'* notice
Portsmouth	9.85	10.05	11.55	12.10	(5 yrs.) to 11.50 (6 mths.)
Property Owners	9.75	10.25	11.75	11.75	4 yrs., 11.75 6 mth., 11.05 3 mth.
Provincial	9.50	9.75	11.00	12.00	4 yrs., 11.25 3 yrs., 10.75 2 *mths.*
Skipton	9.50	9.75	11.00	10.85-11.00	28 days' interest penalty
Sussex County	9.75	10.00	12.25	11.00	instant withdrawal option
Sussex Mutual	9.75	10.25	11.50	10.50-11.75	all with special options
Town and Country	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 imm. wdl. 28 days' int. loss
Wessex	9.75	10.75	—	—	
Woolwich	9.50	9.75	11.00	11.75	3 yrs. £500 min. 90 days' not. on amt. wdn., 10.75 £500 3 mth. not.

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the *investor.*

What the mining leaders have to say

MINING

KENNETH MARSTON

ONCE AGAIN, a New Year beckons. As we enter it we do so with a good deal of caution, but not without hope. As usual at this time of year I am privileged to turn over this column to leading figures in the world mining industry for their views of prospects for the coming year.

You may thus be encouraged *to note that there is a fair* measure of agreement among them that metal markets could pick up in the second half of 1982. Mr Pierre Gousseland, chairman of the U.S. Amax diversified natural resources giant, is quite firm on this point. He writes:

"Although at this time 12 months ago Amax was coming off of a record year, the combination of inflation and high interest rates had its predicted effect of reversing a slow economic recovery into a recession.

Recovery coming

"This year, declining interest rates and lower inflation, triggered by the second stage of personal income tax reduction, should set off a fairly rapid recovery, starting in the second half of 1982.

"The recovery will continue at a strong pace in 1983 when the metals consuming industries such as housing, automobile and capital goods should be experiencing excellent growth.

"In the past, the metals industry has traditionally lagged the business cycle by about six months. If the current recession bottoms in the second quarter of 1982, this would normally call for the metals industry to begin its upturn in the fourth quarter.

"However, because of the high interest rates, consumers are carrying bare minimum working inventories even in bargain priced metals, so that the upturn could begin earlier.

"This could mean that *the* metals industry would be hard pressed to meet demand by 1983, having deferred projects *or expansions during* the two recessionary periods.

"Mineral companies which can succeed in holding production costs down during the recession, while achieving needed inventory for the upturn, will be in the best position to profit during the recovery period. In some minerals, such as coal and iron ore, long-term contracts will assure continued prosperity."

The chief executive of London's Charter Consolidated, Mr Neil Clarke says:

"It is generally hoped that a modest cyclical upturn in industrial activity will get under way in the major economies during the next twelve months, probably in the latter half, and that commodity markets *will quickly* respond

"It is also widely assumed that this recovery will continue for a further year or so but that the overall average rate of growth through the present decade will be subdued although the experience of different sectors will vary greatly.

"This outlook seems inescapable even if governments were soon to reverse their almost universal and necessary preoccupation with reducing inflation.

"There are some hopeful *signs.* For example, some of the most important oil exporting countries are insisting on a rational long-term pricing strategy for oil while in most industrial countries the consumption of energy is now being rationed in the most efficient way through the price mechanism and a fundamental saving achieved through conservation.

"Again, attitudes to work, risk and reward seem to be changing for the better. In the Western democracies a long overdue reaction to overmanning, low productivity, and inefficiency can be perceived and it must be an essential priority to secure the benefit of this for *the longer term,* while recognising that the level of unemployment to which it has given rise is socially unacceptable.

"In the developing countries, where mining exploration and development ought to be heavily concentrated, there appears to be a more realistic attitude to the need for and the needs of the foreign capital investor than in recent years.

Rising metal demand

"The world will certainly need a growing supply of metals and minerals even if the rate of increase in their consumption now seems likely to be somewhat lower than was *anticipated* prior to the second oil price shock, of 1979/80, and far below the rates of growth taken *for granted until the mid-1970s.*

"What this will mean for commodity prices will of course depend on the response of suppliers. It *will* be surprising perhaps if market fluctuations turn out to be much less than in the past. What is clear is that profitable mining investment will depend more than ever on the judicious selection of new projects.

Now to Lord Erroll of Hale, chairman of Consolidated Gold Fields who has some words of comfort for holders of gold shares:

"The determination of governments *in* most parts of the industrialised world to reduce levels of inflation through tighter monetary con*trol has* had an inevitably depressing effect on business activity. As might be expected under these circumstances, the performance of most metals has been unexciting this year. However, there are reasons to suppose that the outlook for the coming year will be better.

"During the past 12 months, the gold price has followed a downward path, but nevertheless averaged $460 per oz over *the period. Due to high interest* rates and lower inflationary expectations, gold has appeared a relatively unattractive short-term prospect to major investors.

"Nevertheless, the stabilisation of prices at the lower levels has caused a resurgence in sales of jewellery and a growing demand for coins and small bars on the part of the public. This, together with the continued interest of the official sector, encourages us to believe that the market has now reached a firm base.

"There seems no reason to suppose that this pattern will not continue in the coming year. Towards the latter part of the year, we see an improvement in the price trend as more investors, both private and institutional, return to gold as the traditional means of protecting capital *against* inflation and currency movements.

"Base metals have been more severely affected by the renewed onset of recession in the U.S. and Europe. The only exception to this is tin, which has in recent months been influenced by *the* activities of 'an influential buyer.' However, the base metal markets are now in considerably better shape than in the mid-1970s.

"Inventories are relatively low at all levels and the markets therefore look well poised to *take* an early advantage of the recovery in economic activity expected in the latter part of 1982."

From South Africa Dr W. J. de Villiers, chairman of the General Mining Union Corporation (Gencor) group *prefers* to take a longer term view. He comments:

"With the governments of a number *of major* industrialised countries continuing to concentrate on squeezing inflation out of their monetary systems it would be unrealistic to look for buoyant market conditions in 1982 — though low consumer inventories may well result in rapid price movements when demand is eventually seen to be picking up. As profits will be harder to earn even more attention will have to be paid to improving production and holding down costs.

"I am a great believer in planned and rational diversification so as not to be vulnerable to sharp changes in fortune in a particular industry or market. The present situation underlines the relevance of this policy and I have no doubt that the mining groups who will come through 1982 in the best shape will be those who have a properly balanced portfolio of interests.

"In the longer term the world's population continues to grow and living standards to rise — even if more slowly than before. There is therefore still an underlying growth in demand for natural resources and I see no reason to hold back from the search for and the development of good mineral deposits.

"In South Africa a great deal of money will be spent over the next several years especially on opening up more of the country's vast coal resources, expanding existing gold mining operations and establishing new ones; I am confident that these activities will prove rewarding to those who are undertaking them."

Finally, Sir Alastair Frame, chief executive of Rio Tinto-Zinc echoes the opening words to this column: caution, but not without hope. He writes:

"The New Year starts with many metal markets weaker than a year ago, and cost pressures more intense. The outlook appears uncannily similar to what was expected a year ago; a weak first half with prospects of modest recovery in the second.

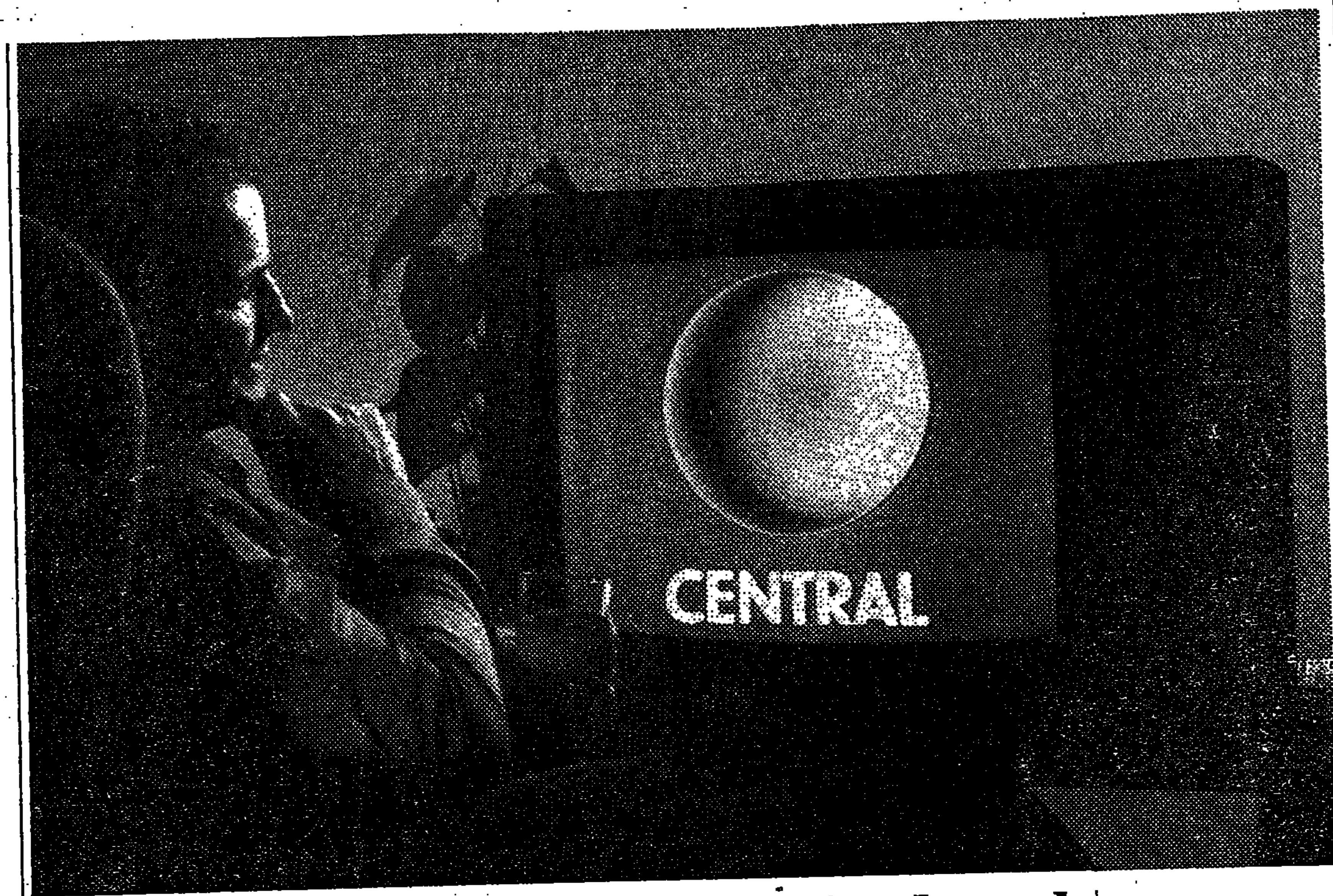
Need for caution

"Experience in 1981 does, however, highlight the need for caution. Floundering European economies and falling industrial activity in the U.S., both associated with historically high real interest rates, aborted the recovery in metals that was widely expected for the second half of 1981.

"Relative to final demand, inventories of most metals are low throughout the supply *chain, and even a small upturn* in orders will be quickly felt by primary producers. Cost pressures and weak demand *prospects are forcing* mine and plant closures that reduce producers' flexibility of response to rising demand.

"Most metals are, therefore, poised for recovery, but such a recovery is by no means assured. The same factors that plagued 1981—strikes and transport disruptions, currency and interest rate fluctuations, and international political uncertainties—remain as dominant as ever.

"Although most metal prices should *revive* after *the summer,* there will be wide fluctuations around the mean, and average prices may not be significantly *higher than in 1981.*"



Crowd gathers for new TV station launch 'White Sphere' revealed as hoax

VIEWERS ALL OVER central England last night were relieved to discover that the mysterious 'white sphere' which has been allegedly 'sighted' all over Birmingham and Nottingham this week is the new station symbol for Central.

Central is the new independent TV station serving, appropriately, the whole central England region. There will be twin television studios at Nottingham and Birmingham.

The news service at Nottingham, will be the most up-to-date in the country, using ENG exclusively – the electronic news gathering system. The aim is to eliminate film processing time, so viewers can receive news faster and therefore more efficiently than ever before.

Central will also make major programmes for contribution to the ITV network.

Among these will be "The Most Dangerous Man in the World", the new documentary from Antony Thomas.

"Muck and Brass" will also get national screening. It is a six part drama series about town hall corruption, featuring Mel Smith as Tom Craig, property developer and entrepreneur.

A spokesman for Central said their aim is "To continue to provide stimulating television nationally, and in-depth coverage locally."

He added, "We won't allow people to say there's nothing on the box tonight."

TV personality plans to cover audience in custard

CHRIS TARRANT, star of Tiswas, tonight unveils his new adult late night show.

Asked what he would be doing in the show, Tarrant said "Probably going absolutely bananas".

"There will be lots of barely clad girls covered in custard". You can see the spectacle at 11 p.m. on ITV.

YOUR SAVINGS AND INVESTMENTS—1

Rosemary Burr gives a list of New Year resolutions for the money-conscious

Lucky Thirteen

1 Check whether you are getting the cheapest possible mortgage. Higher rates have boosted repayments, so it is worth shopping around both banks and building societies.

2 Do not keep large balances which *you don't need in* a bank current account.

3 Make sure you have adequate insurance for your house and its contents. Insurance should be sufficient to cover the current cost of rebuilding your home.

4 If you think you are likely *to get overdrawn* at the bank, go and see your bank manager. You may be able to negotiate a more favourable overdraft rate, possibly 3 per cent above base rate.

5 Review your financial position. If you and your spouse earn more than £16,977 then see whether you might be better off opting for separate taxation.

6 Check the yield on your National Savings certificates. The Government boosts the return on old issues to *encourage savers not to pull out*—but you may get a better deal elsewhere.

7 Remember you can use your Access, Barclaycard or Trustcard to get up to seven weeks' free credit.

8 Vow to stop complaining about the bank's opening hours and get a cash card to enable you to get money at weekends and in the evenings.

9 If you are self employed, remember to take advantage of the carry-forward concessions for pension plans. Unused entitlement in 1975-76 has to be claimed by April 5.

10 Do not invest in a building society if you do not pay tax.

11 Think before you spend. If you take advantage of the New Year sales, plan how you are going to finance the purchases. Don't opt for credit from the store just because it's on tap. It is likely to be more expensive than a bank loan or using a credit card, unless it is a store offering an interest-free year.

12 Don't just complain about poor treatment from an insurance company. *Take your* complaint to either the Insurance Ombudsman or Personal Insurance Arbitration Service.

13 Ensure you are taking *full* advantage of tax-free investments. An investor may now hold £5,000 worth of National Savings Certificates, £5,000 worth of Index Linked National Savings Certificates, previously known as Granny bonds, and invest £50 a month in the form of Save As You Earn—Index Linked. The first *£70 of interest* on a Post Office Savings account is tax free.

Contesting a will

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

My father-in-law died in 1978 and left his house to be equally divided between a charity and his nephew. My mother-in-law who was not receiving a regular income and had very little in savings took up the matter with a solicitor and was recently advised that she had a good case to contest the will, but she should be sure before proceeding that a sum of between £4,000 and £5,000 was available. Are such costs realistic? What should she do?

If your mother-*in-law is not* within the limits for obtaining Legal Aid, the advice she has received is realistic. However, it seems that she ought to be able to seek Legal Aid and thus not have to face the risk in costs. She should ask her solicitor about this. Also she may be able to claim under the *Inheritance* (Provision for Family and Dependants) Act 1975, which may be less expensive; but there is a time limit of six months after probate for this, and it may be difficult to obtain an extension if such a claim has not yet been made.

Legacies to minors

I am the executor of a will, and a small legacy is left to several minor *great-grand children. Is* the parents signature, for the receipt of the money sufficient to relieve me of all responsibility for the inheritance in *the future? What should I do?*

If the will itself makes no specific provision for receipts to be given by the minors or their parents or guardians, you should set aside a fund to pay the legacies when the legatees attain majority or pay the legacies into court.

Insuring an ex-husband

(a) My husband left me five years ago. I want to take out an insurance policy on his life to cover the children's school fees etc. but he refuses to sign. *What should I do?*

(b) My ex-husband took me to court for the custody of our youngest child and lost the case. *Legal aid paid my costs* and also paid for costs of the divorce. Early next year I hope to sell the matrimonial home (which was awarded to me) and buy a smaller one. Will I have to pay the Law Society now for the costs of both the cases?

You have an insurable interest in your ex-husband's life and you do not need his signature if you take out a policy in the form of an "other life" policy.

If the house was awarded to you under any of the heads set out in Article 96(*d*) of the Legal Aid Regulations 1980, the Law Society's charge will not apply to the first £2,500; but if the order awarding you the *house was made before May* 1976 the whole property will be exempt from the charge (if it is within those heads).

No joint account in equity

My wife and father have a joint investment account in a building society. The money was supplied by her father but my wife has to sign that it is held by them as joint beneficial owners, which seems to be mainly connected with the ceilings for investment accounts. The money has been used simply for her father's benefit, but if it were to be used for some other purpose, might tax have to be paid on it, I being on higher rate tax?

If it can be clearly demonstrated that the account is not a joint account in equity, the Revenue should be willing to accept the income as being your father's. It will however then be seen as *forming part of his estate on* his death.

Kruggerands and minors

Some time ago my wife gave some money to our children, now aged 11 and 12, which we invested for them in Krugerrands, which now show a substantial profit.

If as trustees for our children we now sell the coins there seems to be two possible treatments; a captal gain which would be covered by our children's £6,00 joint exemption limit or an adventure in the nate of trade assessed under Case I of Schedule D. If the latter, can it be argued that the profit arises from the original gift and is assessable on the parents as would ordinary interest?

In the circumstances outlined there is a strong risk that the profit arising on the sale of the children's krugerrands will be assessable upon you (as investment income) under section 437(7) of the Income and Corporation Taxes Act 1970, as amended. You may think it worthwhile to seek local professional advice on the prospects in your particular circumstances; there is no rlue-of-thumb answer.

Valuation lists and rates

My residence into which I moved on October 14, 1979 was a newly constructed house. Nothing happened about rating until I received the valuation officer's form CV/R/10 dated September 15, 1981 with values of £518 gross and £403 rateable. I am not disputing these values.

I have now received from the Borough Council three rate accounts; one is for the current year 1981/82, one for 1980/81 and one for the period September 14 1979 to March 31 1980. I have the impression that the Borough Council can only legally demand from me rates for the current year 1981/82 and that I can, if I wish refuse to pay the rates demanded on the two earlier accounts. Is this correct? Does the date of issue of the green valuation form (CV/R/10) affect it?

If the proposal for entry of your property in the valuation list was not made until the year ending March 31 1982, your liability for rates would not go back further than April 1 1981. Only if your property was shown in the valuation list in earlier years would you have any liability for rates in arrear.

Obtaining a probate

The wills of my wife and myself have the effect of leaving the assets of each for the benefit of the surviving spouse during lifetime, and subsequently to named relatives in defined shares. The wording and construction of the wills are by good solicitors.

May I please ask what actions are entailed in obtaining probate (a) at the time of the demise of the first spouse; and (b) on the demise of the second? Although normally delegated to a solicitor, each of us would like to be in a position to undertake the operation in respect of case (a), if it is reasonably simple. *And the relatives involved* in case (b) may be wishful to do the same.

The executor must file an Inland Revenue Account and prove the will at the Principal, or a District, Registry of the Family Division. The application may be made in person or by post and supported by the requisite oath (affidavit). The Non-contentious Probate Rules 1954 set out the requirements. The foregoing applies on both deaths. It would be wise to instruct a solicitor to extract the probate, but it is not necessary to do so.

A right to drain a roof

My garage is joined to the garage next door. The roofs of both are drained within my curtilage. The properties will have been up for 20 years by autumn 1982. There is the possibility that draining the roof of the garage next door could become an embarrassment if, say, I wanted to move my garage. *Would I need to* write an appropriate letter to my neighbour disclaiming acceptance of the obligation to drain his garage roof, within *the 20 years or some other* period, such as 12 years (in which case I would of course be too late)?

We think that you are probably too late to prevent the acquisition of an easement by 20 years' prescription unless you commence proceedings before the end of the twentieth year. This is because of special provisions in the Prescription Act 1832 as to "interruption" of user by the dominant owner.

The meaning of 'discovery'

TAXATION

DAVID WAINMAN

"I CONCEIVE it to be in the national interest, in the interest not only of all individual taxpayers . . but also in the interest of the Revenue Authorities themselves, that the tax system should be fair. Absolute equity is of course impossible to achieve . . . but rank, blatant injustice . . . is quite another matter . . . (the Revenue Authorities) must have failed to realise the deep, brooding resentment felt by every taxpayer . . . a tax system which enshrines obvious injustices is brought into disrepute . . ."

That was Mr Justice Walton throwing out the Revenue's first attempt in 1977 to tax certain members of the Vestey family. The House of Lords later confirmed his view that the law could never have meant what the Revenue had contended (although to their embarrassment the Lords themselves had accepted such a view in an earlier case).

That particular rank, blatant injustice was thus proved to be non-existent. But there are undoubtedly others which are enshrined in the system—albeit the rancour of the victims, and the shamelessness of their oppressors, may be considerably less. I have always felt uneasy about "discovery."

Section 29 (3) Taxes Management Act, 1970 gives Inspectors of Taxes the right to assess further tax, if they discover that profits have escaped assessment or been under-assessed, or that too much tax has been repaid. That does *not sound unreasonable* on the face of it: but reality may be rather different from that first, superficial, impression. We need to take the possibilities step by step.

The Inspector's original assessment can be made in one of two ways. If he is satisfied with the taxpayer's returns, he must make his assessment "accordingly." On the other hand if the taxpayer has failed to make a complete and correct return—and it is the Inspector who is sole arbiter of this—*then the latter is directed* to make an assessment "to the best of his judgment."

In that second case, it is not unreasonable that the Inspector should be permitted to make a further assessment if and when he thinks that this first judgment may have been wrong. Even in the first case, he can decide that his original satisfaction with the taxpayer's returns was unjustified.

The taxpayer may admit, for instance, that he has omitted certain income. The Inspector does not need legal evidence: all that is necessary is that he could conclude, acting honestly, that there has been an under-assessment or an over-payment. No one could really complain so far.

But additional facts available to the Inspector are not a necessary condition for discovery: nor need he even suspect that there might be information which he had not been given. The Inspector may decide that he has drawn the wrong conclusions from the available facts.

Once again, if this is only a *matter of the Inspector* correcting his arithmetic, we should not necessarily feel aggrieved. But what if the Inspector has treated a particular transaction as *giving rise to a capital gain*—and then changes his mind and claims the individual is trading, taxing his profit as income not gain?

The courts have *confirmed* that this is quite within the Inspector's rights. He is absolutely entitled to change his mind in this way by "discovering" some new proposition of law.

How far reaching could be the results one might judge by considering, for instance, the *recent case of Perrons v Spack*man which concerned a local government employee's car allowances. Mr Justice Vinelott ruled that the sums paid were part of *Mr Perron's income* and that he could not then say that allowances on a scale which covered part of his overheads and so reduced the cost to him of *maintaining a car* (which he would have owned and run for private purposes in any event) were expenses necessarily incurred in the performance of *his duties.*

Perhaps Inspectors will not use that decision in order to re-open every agreed assessment for every year still in date for every local government employee, but Section 29 gives them the right to do so. And it was in that same Vestey case from which we drew our *opening quotation that* Mr Justice Walton also made the profound statement that "one should be taxed by law, not untaxed by concession."

Imagine an Inspector who took the view that the law should be interpreted in some particular way, assessed a taxpayer accordingly, litigated and lost. He is still entitled under Section 29 to "discover" that there could have been under-assessments on exactly the same footing in other years—effective no doubt if the objective is to persecute tax-avoiders (and "pour encourager les autres"), but could one not also call it rank, blatant injustice?

The only fetters seemingly put on the Inspector's use of Section 29 by the courts are that he may not reopen an assessment by claiming a change of view, where the particular point concerned has been specifically decided by the Commissioners or the courts on an appeal against that assessment: nor where the point was covered in his agreement with the taxpayer which determined such an appeal before it reached the Commissioners.

None of this quite squares with the taxpayer's less than mirror image rights to reopen assessments where he himself *has made an "error or mistake."* He is absolutely debarred from claiming that he mistook the basis upon which his liability ought to have been computed.

But perhaps the tax system could not tolerate the amount of reopening that would otherwise follow from any one taxpayer's success in a Revenue matter in the *courts?*

Profits still disappearing

The regular Financial Times table of company profits appears below. It is compiled from reports published up to the end of November, 1981, by 494 companies whose account year ended in the period between January 15 and April 14, 1981. The figures are in £000 and corresponding totals for the previous year are given in brackets.

In several sectors profits have virtually disappeared at the pre-tax level, and in some cases there are actually negative earnings. For instance, 12 motor companies lost £1.36m between them, after making provision to pay a reduced but uncovered collective dividend. This pattern was repeated by the 14 companies who make up the "other consumer" group; here the chief sufferer was Lesney, the toy manufacturer (earnings of minus £11m), supported by Melody Mills, a wallpaper maker whose attributable loss came to £1.3m.

Overall, the decline in profits was surprisingly slight; pre-tax profits of the industrial group fell by only 4 per cent, reflecting the fact that the recession was already well into its second year and the 1979-80 figures thus provided a rather *sullen comparison.*

Financial groups fared more happily. In 1979 the four discount houses had been stretched as the Government's monetary policy winched MLR up to 17 per cent. When rates eased, profits recovered—hence the 93 per cent spurt.

The only clearing bank in the table (Bank of Scotland) lifted its earnings by nearly three-fifths—starting from a modest pre-tax increase of 2 per cent—*when it decided to take full advantage of capital* allowances on its leased assets (previously, the Bank had made provision for eventual payment of tax).

TREND OF INDUSTRIAL PROFITS

ANALYSIS OF 494 COMPANIES

The regular Financial Times table of company profits appears below. It is compiled from reports published up to the end of November, 1981, by 494 companies whose account year ended in the period between January 15, 1981, and April 14, 1981. The figures are in £000 and the corresponding figures for the previous year are given in brackets.

INDUSTRY	No. of Cos.	Trading Profits (1)	% chnge	Profits before Int. & Tax (2)	Pre-tax Profits (3)	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap % (9)	Net Current assets (10)
BUILDING MATERIALS	25	460,488 (464,672)	−5.0	354,361 (374,171)	281,054 (312,476)	92,375 (89,135)	171,894 (200,110)	−14.3	55,310 (55,295)	—	212,395 (259,035)	2,284,470 2,012,306)	15.5 (18.6)	513,219 (673,015)
CONTRACTING, CONSTRUCTION	19	58,624 (54,631)	+7.3	38,617 (37,158)	31,256 (31,347)	6,047 (8,015)	25,129 (23,127)	+8.7	6,908 (6,080)	+13.6	35,356 (32,322)	237,393 (203,794)	16.3 (18.2)	76,125 (64,646)
ELECTRICALS	24	1,061,427 (928,294)	+14.3	826,270 (729,441)	699,012 (638,496)	261,913 (223,281)	437,768 (401,472)	+6.6	107,105 (96,687)	+10.8	544,862 (495,134)	3,741,840 (3,313,663)	22.1 (22.0)	1,715,736 (1,481,635)
ENGINEERING CONTRACTORS	5	47,672 (47,542)	+0.3	35,871 (37,076)	24,901 (27,614)	6,261 (11,504)	18,641 (16,178)	+15.2	7,792 (8,451)	−7.8	20,141 (15,918)	219,372 (213,286)	16.4 (17.4)	72,943 (73,798)
MECHANICAL ENGINEERING	44	229,249 (270,083)	−15.1	154,885 (198,758)	102,167 (162,045)	31,475 (37,313)	67,268 (122,279)	−45.0	33,692 (40,728)	−17.3	93,052 (132,204)	1,404,149 (1,330,567)	11.0 (14.9)	691,897 (651,862)
METALS AND METAL FORMING	15	84,414 (93,049)	−9.3	67,984 (77,631)	51,330 (60,757)	11,791 (14,855)	39,425 (45,720)	−13.8	14,469 (12,565)	+15.1	37,980 (45,739)	499,383 (479,369)	13.6 (16.2)	188,415 (175,164)
MOTORS	12	26,030 (45,091)	−42.3	15,019 (34,998)	3,000 (25,352)	4,064 (6,784)	−1,360 (18,069)	−107.5	4,144 (6,462)	−35.9	3,259 (19,707)	195,152 (194,716)	7.7 (18.0)	69,731 (72,085)
OTHER INDUSTRIAL MATERIALS	3	56,194 (49,665)	+13.2	42,809 (38,053)	33,174 (29,380)	11,617 (9,486)	18,301 (17,411)	+5.1	7,659 (6,751)	+13.5	22,480 (21,096)	212,567 (185,176)	20.1 (20.6)	80,050 (70,604)
TOTAL CAPITAL GOODS	147	2,024,098 (1,973,025)	+2.6	1,585,816 (1,527,296)	1,225,854 (1,287,465)	425,543 (400,373)	766,766 (844,366)	−9.2	237,079 (233,018)	+1.7	969,628 (1,021,155)	8,794,326 (7,932,977)	17.5 (19.3)	3,508,116 (3,872,809)
BREWERS AND DISTILLERS	10	530,723 (522,145)	+1.6	442,305 (447,089)	345,534 (363,141)	75,782 (74,070)	265,035 (284,641)	−6.9	89,559 (86,407)	+3.7	257,661 (257,848)	3,472,421 (3,055,353)	12.7 (14.6)	1 055,542 (993,399)
FOOD MANUFACTURING	11	209,740 (178,552)	+17.5	155,855 (132,915)	134,576 (113,360)	36,118 (30,325)	83,045 (73,769)	+12.6	18,602 (17,323)	+7.4	114,594 (99,107)	821,665 (747,088)	19.0 (17.8)	178,483 (140,831)
FOOD RETAILING	9	252,143 (209,278)	+20.5	182,551 (156,316)	147,739 (139,326)	15,919 (19,542)	131,543 (119,234)	+10.2	36,811 (30,373)	+21.2	(152,748) (134,173)	1,109,934 (957,696)	16.5 (16.3)	−38,231 (−43,431)
HEALTH AND HOUSEHOLD PRODUCTS	3	219,159 (194,537)	+12.7	185,412 (163,112)	157,615 (144,364)	50,105 (43,835)	106,872 (99,734)	+7.2	45,909 (43,489)	+5.6	91,862 (85,002)	681,492 (625,882)	27.2 (26.1)	309,654 (313,047)
LEISURE	12	401,602 (374,818)	+7.2	187,388 (205,856)	120,007 (166,131)	42,064 (50,272)	70,680 (113,361)	−37.7	32,987 (37,503)	−12.0	245,705 (242,467)	1,259,356 (1,260,088)	14.9 (16.2)	178,769 (186,633)
NEWSPAPERS, PUBLISHING	6	16,219 (18,224)	−11.0	11,131 (13,770)	10,625 (13,719)	3,922 (4,750)	6,458 (8,159)	−21.1	2,293 (2,050)	+11.9	7,638 (9,346)	68,099 (51,924)	16.4 (26.5)	16 792 (10,914)
PACKAGING AND PAPER	11	236,463 (306,960)	−23.0	157,550 (234,150)	103,749 (180,686)	18,447 (44,573)	75,054 (128,816)	−41.7	23,722 (31,444)	−24.6	123,930 (164,785)	1,285,407 (1,180,483)	12.3 (19.8)	403,155 (476,205)
STORES	40	1,073,299 (1,102,660)	−2.7	892,512 (922,989)	764,168 (829,455)	295,586 (306,889)	484,947 (519,321)	−6.6	208,550 (194,890)	+7.0	440,190 (460,176)	5,568,406 (5,058,493)	16.0 (18.3)	1,466,477 (1,441,716)
TEXTILES	40	219,170 (303,205)	−27.7	122,216 (198,754)	46,042 (133,732)	29,167 (31,027)	5,044 (91,280)	−94.5	18,390 (42,184)	−56.4	74,337 (146,322)	1,369,851 (1,557,685)	8.9 (12.8)	568,290 (652,226)
TOBACCOS	2	153,423 (157,926)	−2.9	121,971 (127,855)	74,073 (86,739)	33,445 (35,100)	24,943 (37,203)	−33.0	6,550 (5,894)	+11.1	47,570 (59,178)	497,511 (506,623)	24.5 (25.3)	295,076 (303,72)
OTHER CONSUMER	14	38,679 (54,349)	−28.8	19,380 (34,624)	3,602 (21,519)	5,131 (5,619)	−2,006 (15,193)	−113.2	4,843 (5,820)	−16.8	6,987 (26,492)	227,494 (268,363)	8.5 (12.9)	70.363 (98,847)
TOTAL CONSUMER GRP	158	3,350,620 (3,422,654)	−2.1	2,478,271 (2,635,430)	1,907,630 (2,192,172)	605,686 (646,002)	1,251,395 (1,490,740)	−16.1	488,216 (497,387)	−1.8	1,565,322 (1,695,916)	16,361,335 (15,268,678)	15.2 (17.3)	4,504,380 (4,572,110)
CHEMICALS	8	42,442 (41,877)	+1.4	33,266 (32,717)	30,088 (30,511)	4,517 (7,762)	25,570 (22,749)	+12.4	6,220 (5,279)	+17.8	27,261 (25,564)	166,564 (130,928)	20.0 (25.0)	80,559 (57,560)
OFFICE EQUIPMENT	6	5,081 (6,138)	−17.2	2,122 (3,499)	927 (2,628)	654 (696)	260 (1,918)	−86.4	432 (594)	−27.3	1,939 (3,232)	21,224 (19,369)	10.0 (18.1)	7,682 (6,965)
SHIPPING AND TRANSPORT	4	18,563 (17,661)	+5.1	10,759 (10,287)	5,486 (5,411)	1,906 (1,551)	4,554 (3,082)	+47.8	1,871 (1,519)	+23.2	9,866 (8,369)	125,577 (124,166)	8.6 (8.3)	29,230 (33 009)
MISCELLANEOUS	33	363,098 (391,731)	−7.3	232,096 (277,002)	166,663 (223,197)	41,611 (68,443)	113,353 (142,697)	−20.5	44,337 (45,366)	−2.3	190,410 (206,665)	1,510,351 (1,445,221)	15.4 (19.2)	243,409 (274,706)
TOTAL INDUSTRIAL GRP	356	5,603,902 (5,853,086)	−0.8	4,292,530 (4,456,231)	3,339,648 (3,741,384)	1,079,917 (1,124,827)	2,161,898 (2,505,552)	−13.7	778,155 (783,163)	−0.6	2,764,226 (2,958,900)	26,979,377 (24,921,339)	15.9 (16.0)	8,373,376 (8,217,259)
OILS	7	87,060 (79,279)	+9.8	62,702 (61,529)	37,237 (51,299)	8,449 (14,030)	28,921 (37,060)	−22.0	13,627 (12,045)	+13.1	37,943 (41,345)	603,615 (560,571)	10.4 (11.0)	103,747 (137,699)
BANKS	1	46,500 (45,802)	+1.5	43,000 (42,068)	43,000 (42,058)	2,400 (16,547)	40,600 (25,521)	+59.1	5,700 (4,837)	+17.8	39,400 (24,913)	280,600 (245,600)	15.3 (17.1)	−36,900 (−160,900)
DISCOUNT HOUSES	4	6,907 (3,967)	+74.1	— (—)	— (—)	— (—)	5,785 (2,992)	+93.4	2,653 (2,265)	+17.1	— (—)	*1,232,042 *(1,059,440)	— (—)	5,465 (4,061)
HIRE PURCHASE	2	2,662 (2,700)	−1.4	2,201 (2,289)	972 (1,263)	120 (—)	844 (1,255)	−32.8	177 (115)	+53.9	983 (1,429)	8,280 (7 390)	26.6 (31.0)	3,437 (2,277)
INSURANCE (LIFE)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE (COMPOSITE)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE BROKERS	2	35,127 (30,568)	+14.9	22,547 (22,676)	21,465 (21,374)	6,883 (9,395)	13,900 (11,432)	+21.6	8,282 (6,101)	−13.4	19,394 (11,813)	77,608 (95,327)	29.1 (23.8)	8,029 (11,425)
MERCHANT BANKS	5	59,089 (47,319)	+24.9	— (—)	— (—)	— (—)	34,745 (27,602)	+25.9	9,602 (7,964)	+20.6	— (‡)	*3,998,192 *(3,344,150)	— (—)	−476,431 (−497,010)
PROPERTY	34	238,299 (201,036)	+18.5	228,773 (193,250)	122,765 (91,830)	50,177 (41,678)	70,373 (47,707)	+47.5	47,435 (35,764)	+32.6	28,561 (16,583)	3,751,981 (2,965,288)	6.1 (6.5)	2,166 (−36,803)
MISCELLANEOUS	6	13,324 (11,674)	+14.1	12,811 (11,287)	8,998 (8,355)	3,201 (1,970)	5,717 (6,247)	−8.5	2,143 (1,714)	+25.0	3,812 (4,748)	197,503 (164,171)	5.5 (5.9)	36,680 (14,020)
TOTAL FINANCIAL GROUP	54	401,908 (343,066)	+17.2	309,332 (271,570)	197,200 (164,890)	62,781 (69,590)	171,964 (121,756)	+41.2	72,992 (58,760)	+24.2	92,150 (59,579)	†4,315,972 †(3,477,776)	7.2 (7.8)	−429,554 (−662,950)
INVESTMENT TRUSTS	68	259,324 (234,825)	+10.4	233,185 (220,436)	201,111 (192,143)	67,218 (64,535)	139,875 (124,037)	+4.7	120,482 (112,853)	+6.8	17,665 (16,866)	4,111,835 (3,234,757)	5.7 (6.8)	58,230 (43,966)
MINING FINANCE	1	68,752 (67,596)	+1.7	59,591 (59,326)	53,717 (52,336)	17,921 (20,300)	34,010 (28,377)	+19.9	10,497 (8,393)	+25.1	32,121 (28,057)	352,361 (283,309)	16.9 (20.9)	33,033 (56,126)
OVERSEAS TRADERS	8	159,463 (162,098)	−1.6	136,509 (139,651)	100,946 (107,443)	49,002 (44,236)	44,135 (56,254)	−21.5	29,880 (30,147)	−0.9	33,927 (46,108)	678,466 (663,195)	20.1 (21.1)	80,599 (79,144)

NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.

Col. 1 give trading *profits* plus investments and other normal income *property belonging to the financial year* covered. The figure is struck *before* charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as, for example, capital profits, *unless the latter arise* in the ordinary transaction of business.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required *under the* Companies Act, 1948.

Col. 2 gives profits before interest and taxation, that is to say profits after *all* charges *except* loan and other interest but before deducting taxation provisions and minority interests. In *the case of* Banks, no figure can be shown because of non-disclosure (see foregoing paragraph).

Col. 3 gives Pre-tax Profits, that is to say profits after all charges including debentures and loan interest but before deducting taxation *provision and* minority interests.

Col. 4 groups all corporation taxation including Dominion, Colonial and Foreign liability and future tax provisions but excluding adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—

1—*Minority* interests.

2—All prior charges—sinking fund payments, etc., and Preference dividends and

3—Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col.7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding intangibles such as goodwill—plus current assets less current liabilities, except bank overdrafts.

* For merchant banks and discount houses a more realistic figure to quote is the balance-sheet total.

Col. 9, represents the net return on capital employed. Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

† Excluding merchant banks, discount *houses* and insurance (life and composite).

‡ No figures given.

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

Ports of call for borrowers

IF YOU THINK you might need some money to finance a spending spree, the first port of call should be your bank manager.

By choosing a personal loan from a clearing bank rather than in-store credit, considerable savings can be had.

On the face of it, the rates offered by the clearers are almost identical, but on closer inspection some differences emerge. This is due to the manner in which the banks quote their interest rates.

Lloyds, Midland and National Westminster will lend customers money on an unsecured basis at a flat rate of 11 per cent. A flat rate represents the amount of interest due as a percentage of the *original* sum.

In contrast, Barclays quotes an annual *rate of 20.7* per cent which it describes as the total charge for credit. This rate is normally referred to as the Annual Percentage Rate. The APR as a *rough* rule-of-thumb is double the flat rate. It is the amount of interest due as a percentage of the *sum outstanding* plus any fees charged by the bank.

The APR is the best guide for customers to watch. A personal loan from either Lloyds or Midland, for example, will carry an APR of 21.7 per cent, whereas a similar loan from National Westminster carries an APR of 23 per cent. The higher rate from National Westminster reflects a 1 per cent charge in addition to the interest rate.

Another good source of relatively cheap credit is available to Access holders, who can arrange to borrow as an Access customer. This is a separate transaction which does not appear on your monthly statement.

The rate available to Access holders seeking an unsecured loan varies according to the customer's bank. People who bank at National Westminster and Midland are charged the same rate as if they had gone *direct to their banks,* while Lloyds customers are charged slightly more.

The places to avoid, if possible, are the finance houses and stores, where the majority of loans carry APRs of around 30 per cent. For example, Mercantile House, the finance house owned by Barclays, charges an APR of 32.4 per cent on personal loans. Special discounts are available to members of certain associations such as the Automobile Association. Taking account of this discount, the APR comes down to 26.1 per cent for a two year loan and 26.5 per cent for a three year loan.

Rosemary Burr

YOUR SAVINGS AND INVESTMENTS-2

The money men go crystal gazing: **Rosemary Burr** reports

A little light for Maggie

THE MEN WHO are responsible for investing vast sums of the public's money have been persuaded to switch their attention from a seasonal tipple to a crystal-ball. The results should be read in the right spirit. One thing is certain: judging on the past four years' experience, their predictions will not turn out to be completely accurate.

Since, however, they indicate the feelings of an important section of the investment community, it is a fair guess these views will colour their financial decisions in the coming year.

To judge by a survey by stockbrokers L. Messel and Co. on the economy in 1982, the men who manage our money must be a fairly gloomy lot. The views of the 171 people who replied—most of them involved in investment management—provide little cheer for the New Year.

Real disposable income will fall, they say. The public, undeterred by this, will continue knocking at the bank manager's door. Savings will be run down even further in 1982 to permit a miniscule rise in consumer expenditure.

Is there any light at the end of the tunnel? Well, the 171 wise men think the rise in retail prices will be 10.47 per cent compared to 12 per cent in 1981. This is roughly in line with current predictions from the professional forecasters.

Wages, they say, will increase less than prices. Their forecast for wage rises across the board is 9.08 per cent, more than double the Government's target for the public sector in 1982.

As for that linchpin of economic forecasts — interest rates—the view is there will be a small fall in interest rates world wide. The fund managers forecast a UK base rate of 12.2 per cent and a U.S. prime rate

	1981 forecasts	1981 outturn	1982 forecasts
MLR	11.1%	†14.5%	12.19%
Yield on "long" gilts	11.5%	†15.9%	13.54%
U.S. prime rate	12.3%	†15.75%	12.77%
Sterling/dollar rate at year end	$2.32	†$1.89	$1.95
Current account	£0.9bn surplus	††£6bn surplus	£1bn surplus
Increase in M3 to mid-October	10%	15.8%	12.63%

† As at December 29, 1981.
†† Treasury projection published on December 2, 1981.

of 12.77 per cent at the end of 1982.

In line with this the group is going for a yield on long gilts on December 31 1982 of 13.54 per cent. If this materialised, it would mean investors in gilts could expect a capital gain over the year of 12.2 per cent and a total return over the same period of 27.5 per cent. This return is comfortably ahead of the inflation rate forecast.

Turning to the international scene, the fund managers see a strengthening of sterling against the dollar. By the end of 1982 they expect a rate of $1.95 to the pound. As for the current account on the balance of payments, the view here is that there will be a relatively modest £1bn surplus.

In what appears to be a fit of excessive optimism, the group predict a rise in sterling M3, the main measure of the money supply, of 12.63 per cent over the 14 months to mid-April 1982. The Government's own target is an increase of between 6 per cent and 10 per cent. M3 is currently running at 18 per cent, so for this prediction to come true, money supply would have to shrink, an unlikely event.

At this stage it is fair to say that the men responsible for investing billions of pounds of other people's money are no more infallible than us more humble mortals. Indeed their failings have been publicly revealed by their replies to last year's survey.

Starting on a positive note, last year's respondents proved remarkably accurate in predicting wage and price rises. After that, however, the forecasts went haywire due to a complete misreading of international interest rates. Minimum Lending Rate at the end of 1981 would be 11.1 per cent, they said: instead, the equivalent rate turned out to be 14.5 per cent on December 29.

Equally awry was the forecast for prime rate. Instead of falling gracefully to 12.3 per cent as predicted, U.S. primes finished the year at 15.75 per cent.

To be fair, the expectation that interest rates would fall as inflation declined was based on recent past experience when the real return on money has been negative. By misjudging interest rates, the forecasts of sterling's exchange rate and the current account surplus also proved to be out of kilter with reality.

Whatever the success rate of the group's economic forecasts, their political predictions are likely to raise a few eyebrows. For despite a relatively gloomy economic outlook, a majority think the Conservative Party will win the largest number of seats at the next general election.

Sweet smell of failure


Mr Anthony Beaumont-Dark


Mr Jack Gill


Mr John Biffen

NOTHING succeeds like failure. Mr Jack Gill, formerly managing director of the lossmaking Associated Communications Corporation, the leisure group, left the company last week with a record £560,000 golden handshake.

However, the natives in Parliament are growing restless. After all, their golden handshakes consist of a raspberry from an electorate with rather greater voting rights than the average ACC shareholder.

This week, Mr Anthony Beaumont-Dark, Conservative MP for Selly Oak, in a letter to Mr John Biffen, Secretary of State for Trade, called on the Government to set up a watchdog body to police golden handshakes in excess of £75,000. Mr Beaumont-Dark described the compensation paid to Mr Gill as "obscene and unwarranted."

In fact, the Government altered the tax treatment of termination payments, which include golden handshakes, in last year's Finance Act.

One change was the abolition of the distinction between compensation payments and ex gratia payments, which were taxed differently. Compensation payments were defined as those paid to an executive with an unexpired service contract. Any other termination payment was classified as ex gratia.

The other casualty was the application of the system of tax relief known as top slicing. Previously no tax was paid on payments of less than £10,000. Under top slicing relief, anything in excess of this figure was divided by the number of unexpired years of the contract, or by six years for ex gratia payments.

This amount was then added to the individual's other income for the year to determine the tax rate. Finally, the rate was applied to the whole of the taxable amount of the termination payment.

The idea behind this complicated rule was to offset punitively high tax rates on a one-off payment. Authors who write a best seller after years of penury will be all too aware of this problem.

The new system is far simpler, and, partly for this reason, is thought to be more favourable to the recipient of the payment. There is one major caveat. The relief does not apply if your contract specifies a termination payment.

Under the new system the threshold beneath which the payments are exempt from tax was raised from £10,000 to £25,000. Since the £10,000 threshold was introduced in April 1978, this represents a substantial gain.

The new method of calculating tax liability is as follows. Work out the figure for tax liability on income for the year, excluding the termination payment. Then work out the figure for tax liability on income for the year including termination payment in excess of £25,000.

The tax liability is an amount exactly half-way between the two figures. Take the case of Jack Gill, who was earning £100,000 a year before his resignation, and who was paid £560,000 compensation. His income tax liability would be half-way between that liable on £100,000 and that liable on £635,000.

The new system of tax relief does not discriminate against people who take up new jobs before the end of the same financial year. However, if you have just received a termination payment, and nevertheless still think that you would have been better off under the old system, do not despair.

If the payment was made in pursuance of an obligation incurred before March 10 1981, but your employment was terminated after the new rules were announced on April 6 1981, you can choose to be taxed under the old system.

Genuine redundancy payments (as defined by the 1978 Employment Protection Act) under a non-statutory scheme, are subject to the system outlined above. However, if you end up with assets in excess of £2,000, then you are not entitled to supplementary benefit. This is unlikely to be a very taxing problem for Mr Jack Gill.

Dominic Lawson

That's snow business

PRELIMINARY ESTIMATES from the insurance industry indicate that UK insurance companies will pay out at least £30m on claims arising from last month's great snow-up. Motorists skidded and slithered on the icy roads and got stuck in snowdrifts. And when the thaw came pipes burst.

The actual structures of houses have so far escaped the worst of the winter weather. Winter is far from over and January is a bad month for storms, and flooding and gales can cause more damage than burst pipes.

So now is the time for householders to check they have adequately insured both their house and its contents. Insurance companies are still finding widespread under-insurance in spite of the warnings.

Your house should be insured for the full cost of rebuilding. It is not sufficient merely to look in estate agents' windows to see the asking price for similar houses in the neighbourhood.

The difference between the cost of building a new house and the price of selling a recently built one of similar size and position is still around 10 per cent. The insurance has to meet the cost of demolishing what is left of the old structure.

It is not sufficient for the houseowner to say that if his existing house was uninhabitable following a disaster, he would buy another house and thus only need insurance for the market value. Local authorities would force him to demolish the old building.

How does the householder ascertain the cost of rebuilding his house? It is not realistic to contact a leading housebuilder and ask him for a price. However, the British Insurance Association has enlisted the services of the Building Cost Information Service of the Royal Institution of Chartered Surveyors to produce costing figures that are regularly updated.

The BCIS calculates the cost per square foot of rebuilding all types of house in various parts of the country. The latest leaflet* from the BIA shows the September 1981 costings. The tables show values for five types of buildings—detached, semi-detached and terraced houses and detached and semi-detached bungalows in four different areas.

The figures relate to three sizes—large, medium and small, and for buildings erected in three different periods—pre-1920, 1920-1945 and post-1945.

In order to use the chart, a householder has to find the external area covered by his house. This is easier said than done, especially if the house is an akward shape. Both the width and depth of the house have to be measured.

The task usually needs two people, a long piece of string and a recollection of elementary trigonometry. Failing that, it is best to call in a specialist.

The BIA leaflet shows typical areas for each type of house which may help householders with their calculations. The diagrams show how the sum insured is calculated for two typical houses. Detached houses and bungalows are the biggest problems because no two shapes are the same, particularly if extensions have been added.

However, you only have to measure your house once as the sum insured is kept up to date as it is index-linked to rebuilding costs. This includes the cost of alternative temporary accommodation if a house is uninhabitable after a disaster.

*Two leaflets — A Guide to Buildings Insurance and A Guide to Home Contents Insurance—are both available free from Leaflets (H), British Insurance Association, Aldermary House, Queen Street, London EC4N 1TU, though almost all insurance companies will have similar leaflets.

Eric Short

Rosemary Burr looks at 1982 prospects for the art market

Gold in the toy cupboard

IF PAST EXPERIENCE is repeated, the most valuable Christmas presents your family received last week may have been children's toys. For as Phillips, the fine art auctioneers, point out in their survey of trends in the art markets in 1982 portable items including toys are a good bet against inflation.

Last year a British Camel Corps trooper made in 1910 was sold for £260, a record price for a toy soldier. Obviously today's toys will not turn into antiques overnight, so what objects should the investor who wishes to diversify choose?

Personal taste will probably play a key role but specialist advice can be useful in pinpointing the possible highfliers this year. For those investors perplexed by the vast array of *objects d'art*, Phillips' survey based on the views of 130 specialists in 17 of its offices may provide some guide.

Every year Phillips questions its backroom staff around the world on which antiques were the star performers in the previous year. The staff are also asked which objects are likely to be the pacemakers in the coming year.

Furniture has once again taken pride of place as the choice for 1982. Victorian and Edwardian pieces have joined last year's recommendation of 18th century works. The specialists stress the importance of quality and perfect condition.

Coming in second is a formidable range of small portable items. These include jewellery, a perennial favourite, as well as miniatures, precious stones, watches and netsuke. For the uninitiated netsuke is a form of Japanese toggle or ornament normally worn suspended from a belt. Many netsuke are no bigger than two inches long and most valuable are made of ivory.

For those who want something to hand on the wall, the specialists favour 19th-century pictures. They say Pre-Raphaelites were in strong demand last year but are unlikely to be equally popular in 1982.

If you have a specific sum of money set aside to put into fine art then Phillips has come up with some suggestions which it says: "should continue to be a hedge against inflation." It is worth remembering that although prices for a group of articles such as Victorian furniture may go up, a particular item may not necessarily share in the general rise.

As the table shows there is quite a wide choice available to those willing to spend up to £500. They can select signed limited editions of quality books, postcards, wine labels and modern British watercolours, to name but a few.

At the other end of the scale, those with over £3,500 to lavish on antiques can splurge out on 18th-century desks, antique rugs, gold snuff boxes, coloured diamonds and oriental pearls

PHILLIPS' SELECTION OF INFLATION BEATERS

Auction price range and period

Category	Under £500	£500-£3,500	£3,500 and above
Furniture	Edwardian	Victorian	18th century
Paintings, watercolours and prints	English 1750-1820 and modern British watercolours	Topographical & sporting prints	18th century English & Old Master drawings
Ceramics and glass	18th century English porcelain figures & tea wares	Finely painted 19th century cabinet pieces. Good services. French paperweights	Early, quality & best condition items from major 18th century factories
Silver, gold and plate	Wine labels, spoons	Early spoons. Flatware services. Good Victorian silver. Omar Ramsden	George I & Queen Anne silver by good makers. Gold snuff boxes
Jewellery	Attractive small jewellery, antique & Edwardian	Signed jewellery by Cartier, Boucheron, Faberge	Coloured diamonds & oriental pearls
Oriental	19th century blue & white. Hardstone snuff bottles	Lacquer. K'ang Hsi famille-verte. Ming celadon	17th and 18th century porcelain

PROPERTY

For early birds

BY JUNE FIELD

BUILDERS BIG and small are determined to keep the market moving this year, and get as much cash flowing in as soon as they can. For instance, although work is not scheduled to start on the first phase of construction until next week, Clare Homes, a small Dorking-based firm have released their whole development at *Nash Drive* to the north of the Surrey town of Redhill.

"The builders are keen to obtain an early exchange of contracts on four houses," admits Mr Peter Blackwood, partner in Pearson Cole, agents who are marketing the Georgian-style two and three bedroom homes both to individual buyers and to companies as an investment. "As an incentive they are offering to sell any of the houses now at fixed prices with the first four buyers able to exchange contracts, regardless of the true value of the houses on completion day."

Prices are currently £29,250 to £35,500 for the 13 houses; and the five in the third and last phase are not scheduled to be ready until the end of September. "Once the first four contracts have been signed up, prices will be adjusted in line with similar houses on offer in the district," says Mr Blackwood.

If you are interested, I would suggest that as the builders are well-known locally you ask to see what other developments they have completed in the area. Details, plans and specifications of the Nash Drive site, plus special mortgage arrangements with the Abbey National Building Society from Mr Blackwood, Pearson Cole, 4 Bell Street, Reigate, Surrey.

Mr C. J. Chetwood, chairman of Wimpey Homes Holding, says that their market research has indicated that the demand for new housing is greater than ever, provided that the public is made aware of the financial help available to them, that the builder who is both building and selling the house is known to be a caring builder, and that purchasers can get a stylish home as well as one with low heating and maintenance costs.

Wimpey are spending £3m in their drive to sell 10,000 new homes this year, beginning a major promotion campaign yesterday. Part of it is the extension, for another three months, of their 7½ per cent mortgage for all purchasers for a year, and the expenses-paid package covering survey fees, stamp duty and legal costs for first-time buyers only. The company's new "Super Single" apartment with furnished bed-sitting room, fitted kitchen and full bathroom, at prices from £19,000 to £24,000, are also part of what is referred to as "product diversification to appeal to a wider market."

"We are really taking on the second-hand market too," observes Mr Chetwood, pointing out that their "Superwarm" houses are about 40 per cent cheaper to run now than their counterparts of 10 years ago. "The potential buyer is often tempted to look at the short-term apparent price advantage of a second-hand house, and leave running costs out of the equation." (Details new homes and incentives from Mr Larry Thompson, Wimpey, Hammersmith Grove, London, W.6.)

This week Wates introduced their latest "free gift" by an offer equivalent to paying your mortgage for six months. The mortgage-freeze sum is paid as a discount at financial completion, and is based upon a 25-year mortgage term and a Building *Society Association* recommended borrowers' rate of 15 per cent. "We believe that our new offer, which applies to all reservations effected before March 1 will increase the incentive to exchange contracts early," says Mr Roger Horton, Wates's sales and marketing director.

It could well be that cash purchasers will come off best on these early exchange offers (Wates say that those who do not need a mortgage will also qualify for discounts), because *there is no way a buyer is going* to rush along and exchange contracts before any loan is assured. The banks, incidentally, insist that they can lend money speedily. Lloyds Bank, *in particular, promoting their* "Larger mortgages cost less" campaign ("By getting a large loan from one source, your repayments could cost you less"), declaring: "We have plenty of funds and will give you a decision quickly."

If you want to live in a central, convenient part of London, then the development wing of Wates' latest elegant renewal and refurbishment project for the Hyde Park Estate is 67 Connaught Street and 1 Connaught Close, W.2., built Georgian-style to blend in with the existing terrace.

The development consists of five, two bedroom, two bathroom apartments with a large sitting-rom and well-fitted kitchen, plus a three bedrooms, three bathrooms, mews house with balcony, lock-up garage and two small patios. The price of the apartments, which includes carpets, are from £92,500 to £150,000, with £185,000 for the mews unit, all on 99-year leases. Brochure and appointment to view the show flat, through Mr Stuart Lawson, Chestertons, 23 Albion Street, London W.2. Information on other new homes from Mr Horton, Wates, 1260 London Road, S.W.16.

Wates Developments, 67 Connaught Street, London, W.2, in the heart of the Hyde Park Estate, built Georgian-style to blend in with the existing terrace. There are five apartments and a mews house for sale on 99-year leases at prices from £92,500 to £150,000 for the two bedroom, two bathroom apartments, with the three bedroom, three bathroom mews house, £185,000. Details Stuart Lawson, Chestertons, 23 Albion Street, London, W.2 (01-262 5060).

Among the proliferation of agents' yearly reports, Mr Paul Jackson's highly professional *Property Review* takes one through the headlines; from 1970 with its "noticeable increase in demand for all types of property," to the property shortage of '72, the glue of the year following, the falling prices of '74, the seller's market of 1978 and the over-flowing registers of today. "Take an offer, Make an offer" is the current motto, says Mr Jackson, who believes that it will be some considerable time before we see any marked incrase in house prices, so *this* is the year which provides an ideal opportunity to acquire good property in the New Forest, Dorset and North Hampshire.

(Free copy of the review from Mr Jackson, Jackson and Jackson, The House On The Quay, Lymington, Hampshire).

With funding more readily available, Jackson-Stops and Staff's York office observe that higher-price property is selling more quickly than places priced under £50,000, where the average sale-time can be at least 20 weeks. For Weller Eggar with offices in Surrey, Hampshire and Sussex, prices overall have risen about 2 per cent, but with no sustained improvement in the economy, they consider prices will probably continue to stay fairly static. While Hamnett Rafferty, with nine offices throughout South Bucks denounce the pundits who declare the market as stagnant. "Utter rubbish," says Mr Stephen Inchbald, partner in the Beaconsfield office where the number of properties sold total 51 per cent over this time last year. "Prices being achieved today are realistic, and vendors should be comforted by the fact that they buy and sell in the same market place."

SPORT

Looking ahead to tussles in Spain

From today, the FT is concentrating its sports coverage into a new weekly sports column that will appear each Saturday. Each week, the FT's regular sports writers will discuss issues and developments and personalities in the major sports—soccer, cricket, rugby football, golf and tennis. But there will also be columns on a broad cross-section of other sporting topics, both domestic and international. We start with a review of the international sports calendar for 1982.

FOR SPORTS enthusiasts, of whom the globe boasts many million, January is the low spot of the year. It is when the pulse rate slackens and the blood runs thinnest, unless you happen to be deeply into ice-sport or like struggling for enjoyment with year-round jogging.

But it offers one important compensation — the chance to dream and gloat in harmless contemplation of the feast to come.

For the armchair connoisseur, the chance is easily achieved via study of a calendar like the one produced below. In truth, our calendar for sporting '82 is the merest fragment of the whole, which if conveyed in all its glory would cover every page of every issue of this newspaper until well past March.

For the first half of the year, attention will be monopolised by the World Cup soccer finals, which open in Spain on June 13 and run until July 11.

That soccer is the true world sport has seldom been in doubt, but its grip has never been demonstrated as conclusively as it will be in Spain.

The finalists, who number a record 24, include Argentina (as holders), Brazil, England (but only just), Hungary, Scotland, Spain (as hosts), Germany and Russia.

But the Netherlands will be missing, and so will Uruguay (the first Cup holders), while five countries make their debuts: Algeria, Honduras, Cameroon and Kuwait, with either China or New Zealand to qualify later after an Asia and Oceania Group play-off, probably in Spain.

On the commercial front, the World Cup stakes will be dizzier than ever. According to estimates by West-Nally, the London sports marketing consultancy that is handling much of the World Cup selling, the value of officially-endorsed merchandise already under manufacture is around $100m, with the final tally probably doubling that.

But the game's the thing, or at any rate used to be, and lovers of the game must pray that however insipidly the England team plays, its supporters are somehow headed off from burning Madrid.

Elsewhere in the sporting calendar, we are promised a feast of fine rugby; the rest of the current Test series in India, to be followed, this summer, by Tests at home against India and Pakistan; and much good golf.

Tennis? Prize money will doubtless spiral, though it surely cannot be long before someone, somewhere, cracks down on Master McEnroe.

Is it too much to hope that he will reform in 1982 and thus give a lead to a sport which is rapidly becoming a by-word for bad sportsmanship?

Racing? We shall certainly not see another Shergar, but a great deal is in store.

Athletics? A possible meeting between Britain's Sebastian Coe and Steve Ovett is only the highlight of another full season, though the disarray in which the sport finds itself on the vexed issue of drugs is painful to behold, and there are many hurdles to be vaulted if athletics is ever to go "open," not least the continued foot-dragging of the sport's ruling bodies.

For sports fans everywhere, the year in store could well prove a vintage one.

Michael Thompson-Noel

YOUR SPORTING DIARY

JANUARY
1-6 Cricket: India v England, fourth Test (Calcutta).
2 Rugby Union: England v Australia (Twickenham).
3 Tennis: Australian championship finals (Melbourne).
5-10 Tennis: Barrett's World Championship Doubles (Birmingham).
9 Rugby Union: Barbarians v Australia (Cardiff).
13-8 Cricket: India v England, Fifth Test (Madras).
16 Rugby Union: Scotland v England (Murrayfield); Ireland v Wales (Dublin).
27 Cricket: India v England (Cuttack).
30-Feb. 4 Cricket: India v England, sixth Test (Kanpur).

FEBURARY
2-7 Ice skating: European figure and dance championships (Lyons, France).
6 Rugby Union: England v Ireland (Twickenham); Wales v France (Cardiff).
17-22 Cricket: Sri Lanka v England, Test (Colombo).
20 Rugby Union: France v England (Paris); Ireland v Scotland (Dublin).
23 Football: England v Northern Ireland, British Championship (Wembley).
24 Football: Spain v Scotland (Valencia).

MARCH
6 Rugby Union: England v Wales (Twickenham); Scotland v France (Murrayfield).
6-7 Athletics: European indoor championships (Milan, Italy).
9-14 Ice skating: World figure and dance championships (Copenhagen, Denmark).
13 Football: League Cup Final (Wembley).
16-18 Racing: National Hunt Festival (Cheltenham).
20 Rugby Union: Wales v Scotland (Cardiff); France v Ireland (Paris).
24 Football: France v England (Paris); Scotland v Holland (Hampden Park): Spain v Wales (Valencia).
24-28 Badminton: John Player All England championships (Wembley).
27 Rowing: University Boat Race (Putney to Mortlake).

APRIL
3 Racing: Grand National (Liverpool).
8-11 Golf: U.S. Masters (Augusta).
15-18 Equestrianism: Badminton Horse Trials.
19-25 Tennis: WCT Singles (Dallas).
27 Football: Wales v England, British championship (Cardiff).
28 Football: Northern Ireland v Scotland, British championship (Belfast).
29 Racing: 1,000 Guineas (Newmarket).
30-May 16 Snooker: Embassy World professional championship (Sheffield).

MAY
1 Racing: 2,000 Guineas (Newmarket).
9 Athletics: Gillette London Marathon.
12 Football: European Cup Winners' Cup Final (Barcelona).
17-23 Tennis: Italian men's championships (Rome).
20-21 Badminton: Thomas Cup Final (Royal Albert Hall).
22 Football: FA Cup Final (Wembley); Scottish FA Cup Final (Glasgow).
24-June 6 Tennis: French championships (Paris).
25 Football: England v Holland (Wembley) provisional.
26 Football: European Cup Final (Rotterdam).
27 Football: Wales v Northern Ireland (Wrexham).
29 Football: Scotland v England (Glasgow).
31-June 5 Golf: Amateur Championship (Royal Cinque Ports).

JUNE
2 Racing: Derby (Epsom).
3 Football: Finland v England (Helsinki).
5 Racing: Oaks (Epsom).
8-13 Show Jumping: World championships (Dublin).
10-15 Cricket: England v India, First Test (Lord's).
13-July 11 Football: World Cup Finals (Spain).
15-18 Racing: Royal Ascot.
17-20 Golf: U.S. Open (Pebble Beach).
21-July 4 Tennis: All England Championships (Wimbledon).
24-28 Cricket: England v India, second Test (Old Trafford).

JULY
1-4 Rowing: Henley Royal Regatta.
2-25 Cycling: Tour de France.
8-13 Cricket: England v India, third Test (Oval).
15-18 Golf: Open Championship (Royal Troon).
18 Motor Racing: British Grand Prix (Brand's Hatch).
24 Cricket: Benson and Hedges Cup Final (Lord's). Racing: King George and Queen Elizabeth Diamond Stakes (Ascot).
24-25 Athletics: AAA championships (Crystal Palace).
27-31 Glorious Goodwood meeting.
29-Aug. 1 Golf: Canadian Open (Oakville, Ontario).
29-Aug. 3 Cricket: England v Pakistan, First Test (Edgbaston).
30-31 Athletics: WAAA championships (Crystal Palace).
31-Aug. 7 Sailing: Cowes Week.
31-Aug. 10 Swimming: World championships (Guayaquill, Ecuador).

AUGUST
1 Motor cycling: British Grand Prix road races (Silverstone).
5-8 Golf: USA PGA championship (Tulsa).
12-16 Cricket: England v Pakistan, second Test (Lord's).
15 Speedway: World team championship (White City).
19-22 Swimming: Optrex/ASA National championships (Crystal Palace).
23-29 Cycling: World track championships (Leicester).
24-27 Rowing: World lightweight and women's championships (Lucerne, Switzerland).
26-31 Cricket: England v Pakistan, third Test (Headingley).
27-30 Show jumping: British Jumping Derby meeting (Hickstead).

SEPTEMBER
1-5 Equestrianism: World trials championships (Luhmuhlen, West Germany); Rowing: World men's championships (Lucerne, Switzerland).
1 & 4-5 Cycling: World road race and Time Trials championships (Goodwood).
1-12 Tennis: U.S. championships (Flushing Meadow).
4 Cricket: Nat-West Trophy final (Lord's).
4-5 Angling: World championships (Newry, Co. Down).
6-12 Athletics: European championships (Athens).
9-12 Golf: Hennessy Cognac Cup—Britain and Ireland v Europe v Rest of the World (Ferndown, Bournemouth). Equestrianism: Burghley Horse Trials.
11 Racing: St Leger (Doncaster).
30-Oct 9 Commonwealth Games (Brisbane, Australia).

OCTOBER
3 Racing: Prix de L'Arc de Triomphe (Longchamp).
4-9 Equestrianism: Horse of the Year show (Wembley).
14-17 Golf: Suntory World match-play (Wentworth).
25-31 Tennis: Daihatsu women's Challenge (Brighton).

NOVEMBER
5-7 Tennis: Wightman Cup (Royal Albert Hall).
9-14 Tennis: Benson and Hedges championships (Wembley).
20-25 Rallying: RAC Rally of Britain.

DECEMBER
11-12 Gymnastics: Coca Cola International (Wembley).
15-19 Equestrianism: Olympia International (London).
27-Jan 2 Tennis: Australian championships (Melbourne).

'Don't wait for the late show'

TRAVEL

ARTHUR SANDLES

IT IS REMARKABLE how rapidly the commercial world would have our minds turn to thoughts of summer when we are still struggling with the horrors of winter. The first few weeks of January are now, however, the traditional time for holiday promotions to get into full flood.

For the holiday companies, most of whom are fresh from their most profitable year ever, there is a particular edge to the 1982 campaigning. The tour companies are cross that the British have been showing a tendency to book late. They are particularly cross about the growing numbers of last minute summer bargain hunters.

An underlying theme of advertising over the next few weeks, therefore, is likely to be "buy now, you may not be able to get what you want if you leave it too late."

The reasons for this are simple enough. Any operator who has a low level of bookings in, say, May, has to decide whether or not to reduce his programme. To embark on such a cut back can upset those passengers who have already booked and find their holidays changed, and it may also be irritating if business begins to pick up late. On the other hand sticking to an over-large programme can be staggeringly expensive. *If you are 30* sales short on one tour to Spain you can easily lose a couple of thousand pounds. Do that once a day for three months and you are in dire trouble.

None the less there may be some wisdom in the advice to book earlyish this year compared with the last couple, quite apart from the benefits this brings tour operators.

This is particularly true if you are thinking about the current high fliers in the tour business—Greece (notably, for reasons I do not quite understand, Corfu), southern French camping sites, the more popular areas of mainland Spain and some coach tours. Places where you should be able to find space late include Italy, the U.S. and, sadly for the British hotel business, rural and seaside Britain.

In broad terms the greater your demands—if, for example, you have three children who need a separate room and are taking granny and want all rooms to be adjoining *and facing* the sea—the earlier you should get signed up.

The thing to beware of is surcharges. Most tour operators have set their prices on the rates of exchange applicable in late June of last year. Since then the sterling rate against the dollar has slipped by around six cents; against the Greek drachma there *has* been a marginal slippage: the pound/peseta rate has remained static as has, more or less, the lira rate.

There are various promotional offers on at the moment and, if you have no loyalty to any particular tour operator, it is worth shopping around. You may find there are those who guarantee a price provided you pay in full. Most companies, however, simply guarantee not to increase the price beyond 10 per cent of the brochure tariff (a little more for long haul trips because of the amount of jet-fuel involved).

Even with surcharges tour prices this year have risen by comparatively little. Because the pound is still surprisingly healthy against many Mediterranean currencies, and because the world market for tourism generally is in the doldrums, some hard bargains have been struck. Most prices are well under 10 per cent higher than last year and many are actually cheaper. Italy in particular, which has suffered two rotten tourism years, is desperately trying to woo back the British.

So just how much will a holiday cost? Well, the basic price for the classic British two weeks in Majorca in high summer is a little over £250 per person, half board. There are some holidays cheaper and quite a few more expensive.

Two weeks at the Indalo Hotel in Mojacar (Southern Spain) will cost £294 (all prices peak season and brochure tariff) with Horizon; Martin Rooks, 204 Ebury Street, London SW1-8UU is offering two weeks in Sorrento for £281 (the Continental Hotel); Olympic has the Minos Beach in Aghios Nikolaos for £541; and Thomas Cook will sell you two weeks at the Hotel Ruspina in Monastir (Tunisia) for £305.

Increasingly, however, families are turning to villa and apartment rental for their holi- What you lose in the housework you more than gain in freedom and independence—and less worry about the noise the kids are making. Here one or two companies have special early season booking offers.

Magic of Sardinia, for example, is guaranteeing that the brochure price is the price you pay if you book before March 1. It has some superb properties on this sun-baked island. Villa Elena, a little gem at Porty Rafael, sleeps three or four people and costs £335 per person, including flight, for two weeks in peak season.

The Travel Club of Upminster is guaranteeing its prices for the whole year regardless. The Travel Club (Station Road, Upminster, Essex RM14 2TT) is particularly strong in Portugal and is, for example, offering a six-bed villa at Alcantarilha for £278 per person for two weeks.

The biggest villa company of all is, of course, OSL, now part of the Rank Organisation. OSL's tentacles reach far indeed these days. Among its offerings is 14 nights in apartments in St. Lucia for £485, including car (£429 if you go in the early summer).

All in all the brochures are well worth a browse. One that I would particularly recommend other tour operators to pursue is that published by Rankin Kuhn, a British Petroleum subsidiary. Rankin Kuhn devotes three close-type pages in its "Far Away Places" brochure to facts and hints about long-haul travel. Its list of pros and cons about destinations offers as much space for "unfavourable" as "favourable." Others please copy.

● Addresses of direct-selling companies are given in the text. Other operators' brochures can be obtained from travel agents.

HOW TO SPEND IT

by Lucia van der Post

The Cocktail Party

JUST BECAUSE the official open season for parties is coming to a close seems to me no reason for all of us to stop giving them. January and February usually loom gloomily ahead after the New Year, bereft of treats, awash with bills and the coldest, nastiest weather of the year. Parties are exactly what we need and according to all the shops and departments opening up to cater for the new-found hunger for parties, many others seem to feel like me.

The Cocktail Shop at 5 Avery Row, London W1, was opened a few months ago and according to Chrissie Vanstone-Walker who sunk most of her savings into it, it has succeeded beyond her wildest dreams. She spent the weeks before Christmas continually cajoling extra stock from all her suppliers. Basically the shop provides everything you could possibly need to make the drinking part of your party go with a swing. (For those who live out of London let me hasten to say that The Cocktail Shop offers a mail order service—at the moment this consists of two full-colour sheets listing the most sought-after merchandise)

In the shop there is everything from the most basic equipment like corkscrews of every imaginable shape and size to much more esoteric things like the rare exotic fruit juices (mango, naranjillo, guava, and so on) that are de rigueur for certain authentic recipes. Then there are bendy straws, plastic animals to hang on to the side of the glasses (these, you will be amazed to discover if you have not hitherto been a frequenter of cocktail bars, are part of the ritual) and parasols (again usually found stuck into glasses in cocktail bars—20 for £1). There are ice-crushers, just like the ones full-time barmen use, measures (again straight-sided ones like the professionals use), a myriad number of shakers and cocktail glasses of all sorts, ranging from the cheapest at 60p each to hand-made, Italian, black-bordered ones at £6.95 each.

If you haven't yet become hooked on cocktails a visit to The Cocktail Shop will make you long to try them. If you don't know how to make them buy either The Jeeves Cocktail Book (from the shop) for £3.95 for a Woosterish introduction to the subject. Alternatively you can buy greetings cards with a single recipe inside each for 38p each.

Or buy the beautiful mixing jug with the cocktail recipe ingredients marked on the side so that you cannot go wrong. It won't be long before you're absolutely up-to-date on the finer points of making Margaritas, Mai Tais, Grasshoppers, Pink Squirrels and all the other extra ordinary sounding mixes that are currently on offer in cocktail bars up and down the country.

If you feel you can't cope with mixing cocktails yourself The Cocktail Shop will help you to provide an "instant" cocktail party. Prices are negotiable depending on the hours of help needed, the number of people coming, the distance to be travelled but the basic service is to provide all drink, mixers and glasses as well as an experienced barman who will advise on the choice of cocktails and do all the mixing. Contact the shop for details.

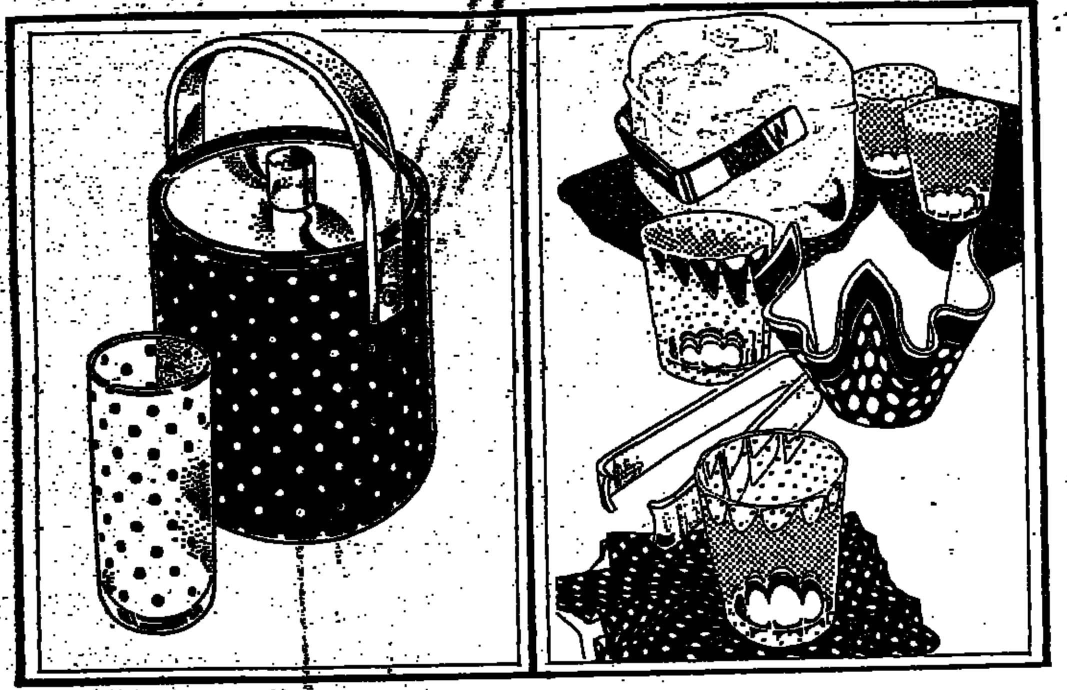
If you don't have anything so ambitious as a full-scale cocktail party planned but would just like to cheer up your drinks equipment, then one of the best shops for this that I know of is The General Trading Company, 144 Sloane Street, London SW1 (always a good selection of shakers, ice-buckets, glasses, finely designed in both indestructible plastic and elegant glass).

Another useful hunting ground is Graham and Green, 4 and 7 Elgin Crescent, London, W11, which has some splendid hand-painted cocktail glasses at about £5.95 each, as well as a very elegant stainless cocktail shaker (7¾ in.) for £12.80 (will post for £1.25 extra) and the essential Chinese parasol cocktail sticks at 25p for a packet of 6 (p & p 15p). In addition the shop sells the most elegant ice-bucket I've seen—in clear acrylic, it is robustly square and sturdy, £9.30 with £1 extra for the acrylic tongs. Again Graham and Green has a mail order leaflet which it will send to interested readers.

Heal's of 196 Tottenham Court Road, London W1, latched very early onto the cocktail boom and its Buzz department has long been a good source of elegant glasses, shakers, strainers and all the rest of the essential paraphernalia. Here is a recipe devised specially for Heal's by Coconut Grove, a popular London cocktail bar. Champagne, BOLS Blue Curacao, Ice, Cocktail Cherry—put a small ice cube in the glass, cover it with Blue Curacao. Fill the glass up with champagne, Swizzle. Trim with cherry on stick.

Finally, bearing in mind that many who come to a party travel by car, Heal's also provides the recipe for a very delicious non-alcoholic cocktail. Choose a large martini-type glass and provide a bendy straw. Fresh pineapple juice. Fresh grapefruit juice. Coconut milk (tinned), dash of Grenadine—dash of fresh lemon. Serve it very cold. Keep juices in the 'fridge. Put chopped ice or small cubes into glass. Add two-thirds pineapple to one-third grapefruit juice. Add a tablespoonful of coconut milk to flavour and lastly a dash of Grenadine and fresh lemon juice. Mix very well and trim with a pineapple piece, lemon strip and a cherry on a stick.

So—chin-chin and bottoms up!



Drawing above by Anne Morrow

Treasure Island is a small shop at 81 Pimlico Road, London SW1 which doesn't strictly speaking specialise in cocktail ingredients at all but it does happen to have an especially pretty collection of household items of all sorts. Most of them could be fairly ordinary or humdrum if they were not so charmingly executed. Sketched, above left, is a simple laminated plastic ice-bucket from America. It is 8 ins deep by 7½ ins in diameter and comes in either blue or green with white spots. This version is £17.10 (£2.50 p+p) but there are also plain versions at £12.35 each. The plastic tumbler in the same colourways (lovely for long drinks in summer) are £11.55 for six (p+p £2).

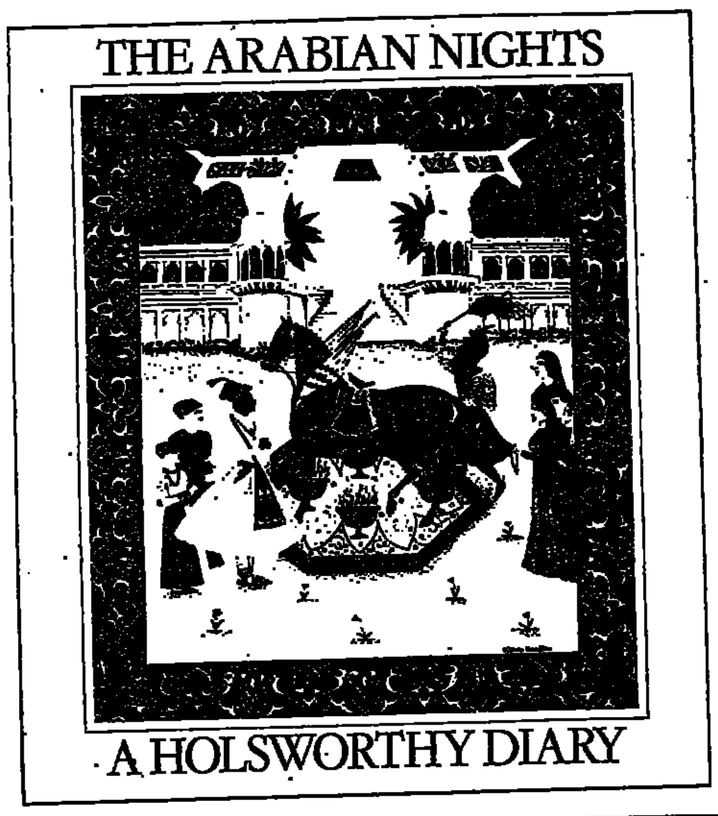
Sketched above right is a small collection of some of the party gear from Graham and Green of 4 and 7 Elgin Crescent, London W11. The ice-bucket is in white acrylic and is £8.50 (p+p £1.30), the tongs are £1, while the spotted toughened glasses are £1.75 each. Graham and Green always has a large selection of exceedingly attractive paper napkins, plates, and other table accessories, some of which are shown in the sketch here.

The cocktail boom has spread to the high street. Boots now has a collection of glasses and cocktail shakers, swizzle sticks and bendy straws, all of which are designed to bring the essential ingredients for the "Happy Hour" to all corners of the country. Boots sells Martini, Americano, Frappe and Sling-glasses in packs of two—each pack has with it instructions for suitably festive concoctions. The Martini, Americano and Sling packs are £2.95 each, while the Frappe one is £3.15.

To complete the kit there is a stainless steel cocktail shaker at £7.95, bendy Poptail straws at £1.50 for 100 and swizzle sticks filled with blue, yellow, pink, orange, green or purple sand (the sand ripples down the stick when it is tipped up) for 75p.

Larger branches of Boots should have a good selection of all the cocktail kits.

Book of the year



IF nobody gave you a diary for Christmas and you're still hoping to find something special, then one of the most charming that I've come across is The Arabian Nights, a Holsworthy diary, the cover of which is shown illustrated left. It is more than just a diary, being rather a cross between a traditional diary and a book. Each month opens with a story from the Arabian Nights, beautifully told and illustrated. Interspersed between the dates are also tales from the real lives of adventurers and explorers like Sir Walter Raleigh, Marco Polo, Blackhead, Jesse James, Bartholomew Dias and so on. It is a diary for any year—which may be a disadvantage for some, in that each month has dates but no days besides the dates. If that doesn't matter to you, then it is certainly one of the most charmingly presented diaries I have seen. With hardcover it is £9.95, leatherbound, £14.95.

If you want a diary with dates and days together then Alan Hutchison Publishing, 31 Kildare Terrace, London W2 produces the most charming I know. The one for the Royal Horticultural Society is £5.50, for the V & A £6.60 and the Opera House, £7.00.

Knit up some glamour

HOW TO SPEND IT readers are, it appears, avid knitters. When Emu Wools and I got together in October to offer readers a free knitting pattern we didn't dream that so many of you were just longing to get your needles going. As almost everybody seems to find the immediate post-Christmas and New Year period a time for rather quieter pursuits than the frenzy that goes before, it seemed a good moment to offer readers another pattern to make something special and exclusive—either for themselves or for a lucky daughter, mother or relation.

This time we have got together with Lister-Lee and K West Furs to provide the warm and glamorous Aran-look sweater you see photographed here. It was designed by Lesley Jones, an award winner in the Saga Design Awards 1981, and still a student at Ravensbourne College of Art.

The sweater is knitted separately and it takes 14 balls of Lister-Lee's special pure wool for Aran knitting. At 80p for a 50g ball (from all good wool shops including Harrods, Dickins and Jones in London), the total cost will be £11.20. The colour that we recommend is Irish Cream (the true Aran colour) but there are 23 shades available altogether.

For a free copy of the knitting pattern send a LARGE sae to Lister-Lee, Financial Times Free Pattern, 11 Harley Street, London W1. The knitting pattern includes direction for measuring the amount of fur trim you will require and this has to be ordered from K West Furs, 21 Heddon Street, London W1R 8QU (tel 01-734 0777).

K West offers three varieties of fur kit. Cheapest of all is the measured amount of trim in white hare or coney (rabbit), which will cost £23. Or, for a really luxurious look, as in the photograph, the kit can be ordered in creamy-white mink. This will cost £230. Alternatively, K West offers mink strips for edging the collar and cuffs only for £86.25. All the kits are in creamy-white only but K West is a long-established furrier and anybody wanting fur in any other colour should just write to K West, with their request.

Finally, anybody who hankers for the sweater but can't be bothered with knitting it up or trimming it themselves, should note that it can be bought, already knitted and complete with mink trim for £350 from K West Furs.

It is important to note that the sweater will have to be sent to a furrier for cleaning—not a dry cleaner—and that those who don't have a good furrier cleaner near them can always send it to K West Furs which undertakes to clean it professionally.

Salad days are here again

BY JULIE HAMILTON

WINTER SALADS may sound like a contradiction, since salad is usually thought of as a summer dish: but in fact, it is a mixture of raw or blanched vegetables, herbs and dressing—often with meat, fish or eggs added, and usually served cold. So why only in the summer? A salad can be made from almost anything. Of course, in summer certain vegetables can be eaten raw rather more appetisingly than in winter. Nevertheless, with a little imagination some quite exciting dishes can be created.

Particularly at this time of year when most households have cold meats of one sort or another on hand, it is useful to know of some unusual ways with salads. Many of the winter vegetables, white cabbage, red cabbage, Chinese leaves, cauliflower, carrots are much nicer raw than cooked while many of the imported, all-the-year-round vegetables like fennel, French beans, courgettes, peppers and the like can be combined to produce salads that are a delicious improvement on the limp lettuce leaf and sodden tomato duo we usually meet.

Pasta lends itself excellently to being served as a salad to complement any cold meat or fish. For example: mix finely chopped raw onion, celery, red pepper, parsley, celery seed, a little prepared mustard and cider vinegar with mayonnaise and combine it with cooked macaroni. Chill it thoroughly for two or three hours.

Raw mushrooms, especially when very small and fresh are irresistible; finely sliced and combined with lemon and oil, salt and pepper, a sprinkle of sugar and dillweed, they are so simple and delicious. But to turn them into something quite exotic, try the following: fillet some raw sprats, sprinkle with salt and a lot of black pepper, cover with oil and lemon juice and leave for 24 hours.

Cut them into strips and combine with raw sliced mushrooms and cold, cooked rice. Add the sprat marinade and adjust seasoning to taste. Add a little garlic if you like.

An idea for potatoes. Finely chop some dried apricots and soak them in white wine for two hours; chop some celery; a little raw onion; drain the apricots and combine all the ingredients with yoghurt. Add a generous amount of capers and chopped stoned olives. Mix all together with diced cooked potatoes. Season with plenty of salt and pepper and decorate with chopped parsley and a sprinkling of paprika.

An idea for cauliflower. Combine equal portions of home-made mayonnaise with sour cream, add anchovies which you have pushed through a sieve and a few chopped walnuts. Pour over lightly blanched (or even raw if you prefer) florets of cauliflower. Decorate with whole cooked French beans.

If you can find firm lettuce hearts, which you can cut into quarters, (if not, cabbage hearts shredded will do), try this Roquefort dressing: to 5 fluid oz of double cream whipped, add two tablespoons of crumbled Roquefort cheese and combine it with 10 fluid oz of mayonnaise. Try any shellfish combined with cooked cold haricot or soya beans and dressed with sour cream combined with mayonnaise to which has been added chopped gherkins, capers, chillis, a dash of Tabasco, a shake or two of soy sauce and tomato purée.

This really is a winter salad, as parsnips are not around in the summer: dice some boiled parsnips and potatoes (equal amounts), add a little finely chopped raw onion. Combine yoghurt with mayonnaise (equal amounts) add some thin strips of ham, enough orange juice to lightly flavour, some cumin seed, salt, sugar and pepper to taste. Combine with the parsnips and potatoes. Decorate with sliced hard boiled eggs and sprigs of parsley. Chill well. You could use chicken instead of the ham or as well as if you wished.

Chicory and apples mixed with flaked smoked mackerel and dressed with yoghurt to which has been added a little horseradish and lemon is delicious; it can also be combined with cold cooked rice to make it go further.

Maybe these suggestions of mine have set you off and you will find you have many original ideas of your own. I hope so, because part of the joy of cooking is the discovery that one can create one's own recipes.

ARTS

Winter's tale

BY B. A. YOUNG

"A sad tale's best for winter," said wise little Mamillius, so for the last weekend before Christmas we had a bunch of them, starting with Glyn Dearman's *Sherlock Holmes v Dracula*, from the writings of John H. Watson, MD, as edited by Loren D. Estleman. Mr Estleman is a stranger to me, but Dr Watson isn't, nor is Sherlock Holmes or Count Dracula.

They are dropped into their slots at once in the author's Radio 4 production with a phrase of Bach, played on the violin in Baker Street style, that gives place to a phrase from Bela Bartok. I thought the Count's native Transylvania was in Romania rather than Hungary, but it's a small point, and I'd have been sorry to miss the passages from the *Music for Strings and Percussion* that signal Dracula's appearances.

Holmes is involved when a newspaper asks him to investigate the case of the schooner Demeter, which put into Whitby harbour with the skipper tied to the wheel with his own rosary, the rest of the crew missing, an enormous dog seen leaping ashore, and no cargo but 50 boxes of earth.

Holmes is about to give up the case when he suspects that someone is threatening the newspaper, but becomes involved in a new chapter. Small, frightened children are found on Hampstead Heath with tales of a "beautiful lady" and little punctures in their necks like those found on the captain of the Demeter. Holmes's brilliant deductions lead him to a tomb where Dr van Helsing is about to drive a stake through the beautiful lady's heart.

Van Helsing has come because Dracula is living at Purfleet, which is near enough to Hampstead Heath to connect him with the outrages there. Then Dracula kidnaps Watson's wife and takes her to Whitby. There is an exciting chase of coach against train. This was in Victorian days, so the train won. Another chase of steamboat against the SS Baltimore, to catch Dracula "*before he can spread his vampire pestilence throughout the Empire.*" Dracula escapes, all the same, by becoming a giant wolf and then a huge bat; and this leaves Holmes free to undertake another attack on Dr Moriarty. Why do I call it a sad tale, when it's so full of fun? Well, Mr Dearman hasn't put as many jokes in it as you might expect. John Moffatt was Holmes, Timothy West was Watson, David March was Dracula.

This one is really sad. *A Dream of Beltane*, by Robert Forrest (Radio 3, Sunday) is about life in the court of mad King James V of Scotland, and no doubt someone will put a curse on me for calling him mad, for this is the kind of world we explore. "Beltane" was a Celtic feast day when fires were lit on the hill-tops and the sheep were driven through the fires and there were sacrifices, perhaps even human. They didn't happen in James V's time, for he was a strongly Catholic monarch, the stronger because, south of the border, his uncle Henry VIII had invented the Protestant church.

Alison was a simple tinker girl who could collect a crowd round her when she sang or told stories, and one day, in a manner too complex for me to tell here, she was picked up by the King, who first invited her to dine and then to sleep with him. This was his way of celebrating the birth of his second son. While they were in bed, the King had bad dreams, that his household was on fire, that he was attacked in an ambush, and worst of all, that his son Prince James was seriously ill. He rode home as fast as he could, and his dreams came true, for not only Prince James but his new son Prince Arthur fell sick and died.

Naturally Alison was accused of having wished the ill-fortune on the King. She was flogged and tortured until she made some kind of confession, then she was burned.

If I have some of the details wrong, it is because the play was spoken in Scots easy to misunderstand. It was very well spoken all the same, under Tom Kinnmont's direction. Alison, sometimes brazen, sometimes naive, was touchingly played by Maureen Carr. Whether the King (Benny Young) was mad, as his Sheriff Kincavel averred, or only power-mad, the end of the tale is not as sad as it seems at the end of the play; for James V had a third child, Mary, and the succession of our present monarch from Banquo was assured when Mary Queen of Scots gave birth to James VI and I.

Before the camera froze

BY NIGEL ANDREWS

Camera Buff (A). Gate, Notting Hill.
The California Dolls (X). Ritz.
Zorro The Gay Blade (A). Odeon, Kensington.

Brenda Vaccaro and George Hamilton in 'Zorro, The Gay Blade'

Camera Buff, made in 1979 by Krzysztof Kieslowski, is as poignant a testament to the freedoms Poland has lately lost as any news bulletin of trundling tanks or soldiers stamping cold feet and wielding cold rifles in the snow. Spiked with rueful comedy, it's a film about film-making whose "hero" is the movie-camera's *talent-for-truth* and whose villain is the petty authoritarianism which combats that truth by telling directors where, when, how and at what they should point their lenses.

Poland would probably pay many a *zloty* now for such petty authoritarianism, when the whole frozen land lies chained in military thrall. But *Camera Buff* shows where the cold winds were always blowing from, even before the new political Ice Age set in, and how the draught of totalitarianism could sometimes, and early, be met with simple human stubbornness.

Filip Mosz (Jerzy Stuhr) is a puckish, dumpy young factory worker who buys an 8-mm movie-camera to immortalise his new-born baby. From little acorns great vocations grow, and he is soon winning festival prizes as the founder and leading genius of his factory's film society—not always toeing his bosses' PR line—and telly-documentary fame as the author of reportage pieces that knock holes in the complacent fabric of Polish society.

This Sir Galahad of the Shining Lens might have grated on us had Kieslowski shown him only as a force for spotless honesty and crusading virtue, not also as a strewer of egotistic confusion on those around him. Stuhr, a baby-faced dachsund with his droopy features and child-wise eyes, is a Man Possessed; and his sufferers include not merely the justly embarrassed elite of industry or government (our hero shoots factory conference-members going to the loo and ministers all-at-sea about poor housing) but his sometimes imperilled work-colleagues and his long-suffering wife (Malgorzata Zabkowska). She, realising that she has lost a husband and gained a movie-maniac, finally walks out on him. (But even as she turns her back for the last time, hubby furtively holds up hands framed in a rectangle to fantasise the movie-shot.)

Camera Buff, laced with tiny comic details and shafts of satiric truth, is best of all in setting forth the luminous axiom that cinema is a tool-for-all-seasons. It can be used for propaganda, as the hero's factory bosses want; it can be used for "honest" documentary reportage; it can be used as memory-in-motion, in the hero's home-movies; or it can be used imaginatively for "art." Kieslowski shows that the ways and uses of cinema reflect the nature and pressures of one society at one time, and in *Camera Buff* he has hewn a superb tragicomedy out of the pre-catastrophe Polish experience: recording its fears, anxieties and fragile optimisms before the skies fell on the country, burying both man and movie-camera.

★

Cinema can also, of course, be a tool for immortalising artistic dementia. In *The California Dolls* large Amazonian females are hurled at each other across a canvas ring, while serried rows of obstreperous spectators bay and howl under the bright lights. The subject: female wrestling. The stars: Peter Falk as a rasping manager with two cross-eyes for the main chance, and Vicki Fredericks and Lauren Landon as the Incredible Bulks he transports from ring to ring across West-Coast America.

Robert Aldrich—of *What Ever Happened to Baby Jane?, The Dirty Dozen* and *The Choirboys*—has never been a director to let I-dare-not wait upon I-would, like the cat in the adage. If a subject is loud, lewd and libertine, that's the one for him. In *The California Dolls* he has clearly decided to turn Scorsese's *Raging Bull* inside out and transexualise it wackily into—with no disrespect to Misses Fredericks and Landon's figures and finesse—*Raging Cow*. Instead of "Cavelleria Rusticana" on the soundtrack we have "Pagliacci," with its sob-torn show-must-go-on schmaltz; and instead of calorie-gobbling Robert De Niro putting on all *he can to play a 200-pound* bruiser, we have our two heroines taking off all they can to swat opponents with parts of the body never dreamt-of in the Pugilist's Handbook.

The last half-hour is dizzy and indisputable fun: as Falk's duo, in the nationwide lady-wrestlers' final, go batting and bruising not only after their opponents but also after the crooked referee (Richard Jaeckel) and anyone who comes within a fist's-throw of the ropes. But the previous hour-and-a-half is long, tatty and under-riotous; seeming to unspool chiefly inside cars and motel-rooms where the three principals negotiate with large cartons of take-away food and large portions of better-left-behind dialogue. Mel Frohman wrote the script, and Falk gives us once again his hunched and bronchial gnome impersonation, this time without benefit of crumpled raincoat.

★

Zorro The Gay Blade would be mightily improved by the presence of one or two female wrestlers, and/or Peter Falk. As it *stands*—or totters—this sclerotic proofbuckler set in the days of old when jokes were decrepit is lent spirit solely by the presence of Brenda Vaccaro, a husky-voiced, hell-haired trouper sashaying, with generous gusts of laryngitis, through the role of Zorro's arch-enemy's wife.

George Hamilton made some sonorously acceptable Balkan sounds at Dracula in the over-praised *Love At First Bite*. But here, co-producing and playing two roles, he is overstretched to a length that Procrustes would wince at. One or two dandefied apothegms slide forth from his Spanish-vowelled Zorro with a glint of style: "There is no shame in being poor, just in dressing poorly." But there is no such relief in his other role, the "twin brother," one Bunny Wigglesworth, played for maximum primping *camperie* with trilling falsetto and fluttersome gestures. Whoever else El Zorro liberated with his sword in 19th-century *California*, he clearly did nothing for gay stereotypes.

Die Fledermaus

BY RODNEY MILNES

The best thing about the English National Opera's 15-year-old staging of Strauss's operetta is that it is never allowed to grow stale. The latest revival of Glen Byam Shaw's exemplary production, itself discreetly refurbished by Tom Hawkes two years ago in Tim Goodchild's new decor, is now crisply rehearsed by Stefan Janski: the jokes, miraculously, seem freshly minted. The freshness is enhanced by the engagement as guest conductor of Herbert Prikopa, formerly chief *buffo* at the Vienna Volksoper. He knows exactly how *Fledermaus* should go, and even if ensemble was not always precise (*the side-drummer needs* a talking-to before the next performance) the eternally effervescent spirit of the score was caught down to the last champagne bubble.

The cast, appropriately enough for New Year's Eve, is a pleasing mixture of new and old. Of the new, Penelope Mackay plays Rosalinde as a scatty, histerical woman, not a *grande dame* momentarily caught with her defences down: fair enough. The top of her voice sounded a little rusty, but her delivery of the dialogue sparkled. Geoffrey Pogson's clearly projected Eisenstein has just the right air of the eternal schoolboy, and Adrian Martin wears a look of perpetual surprise at anyone being taken aback by his Latin lechery. Both tenors sing extremely well. The new Orlofsky, Fiona Kimm, tries too hard with her dialogue—the blasé boredom is missing—but she makes the most of the voice-breaking joke in her couplets.

Familiar but, again, far from stale, are Marilyn Hill Smith's deliciously common, crystal clear Adele, Alan Opie's effortlessly elegant Falke, and Eric Shilling's immortal Frank. Mr Shilling's innocently capricornial caperings cannot disguise—indeed they symptomise—the one flaw in the production: the much-heralded second-act party is of stultifying respectability, with not even a suggestion that anything *untoward is going on* off-stage.

The untoward is reserved for the third act, with the guest appearance of Frankie Howard as Frosch. That great blood-hound face drooping to the floor in disapproval, he insults everything and everyone within reach, from the sets ("sheer *tat*") to the conductor ("you're foreign, aren't you?") to the soubrette ("she drinks, you know" in a lugubrious aside). Occasionally he drifts back to the script, with patent unwillingness. Precious little to do with *Fledermaus*, but a dazzling comic performance gratefully received by an audience helplessly a-titter. An auspicious *operatic* debut, Francis.

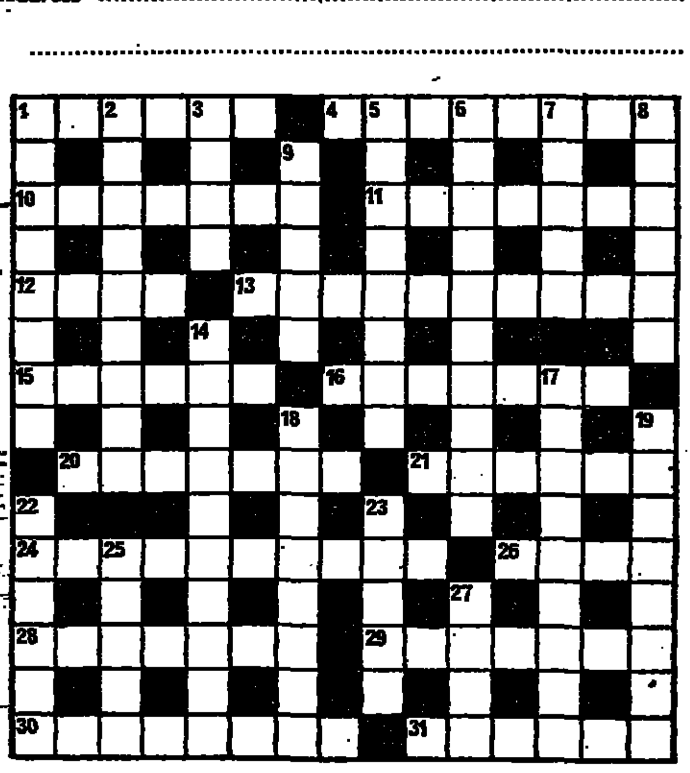
Frankie Howerd

F.T. CROSSWORD PUZZLE No. 4,761

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



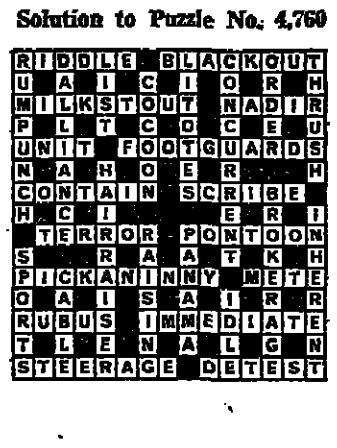
ACROSS

1 Liable to change (6)
4 Raillery not recommended for the elderly? (8)
10 A river once more backs up and falls (7)
11 Evidence of epidermal fluid—get British antisepsis pioneer (7)
12 It is rash to go without food (4)
13 European in general service—buffers usually leave them (10)
15 Sea air? (6)
16 Stranded in a place like Old Trafford (7)
20 High tar, short-lived creature (7)
21 Bunter's old paper in the drawer (6)
24 Pleasant spot for climbers and ramblers (4-6)
26 Moral wrong of hydrogen weapon (4)
28 Means to decimalise old penny (7)
29 Long-off perfect—to contend for prize (7)
30 Amount of money changing hands for pie-man's produce (8)
31 English girls' medley swimmer re-appearing (6)

DOWN

1 Breather taken by trawlerman? (4-4)
2 Air force players? (5, 4)
3 Principal role, Bassanio's choice (4)
5 Variegated game-bird in Archers' place (8)
6 She could be a corker, we hear (10)
7 First part of play unfinished in London district (5)
8 Way-out dark lady losing head (6)
9 Ex-Roman police district (5)
14 Hastening all the time—some horses finish with nothing! (10)
17 Peach of an apple? (9)
18 Knitwear of iris-leaf design (4, 4)
19 Stock movement out of control? (8)
22 Odd traits of Turner, for example (6)
23 Settle a number of judges (5)
25 Short day and year of wood-god (5)
27 Eastern ruler reading some Coleridge upside down? (4)

Solution to Puzzle No. 4,760



TV/Radio

BBC 1

†Indicates programmes in black and white

9.30 am Swap Shop with Noel Edmonds. 12.12 pm Weather.
12.15 Grandstand: Football Focus (12.20); Racing from Newbury (12.55, 1.20, 1.50); Darts (1.10, 1.40, 3.55) Watney's/M.Y. Dart British Open Championship; Rugby Union (2.10) England v Australia; 3.45 Half-time football scores; Basketball (3.55) The Philips World Invitational Club Championships (final); 4.35 Final Score.
5.05 The All New Pink Panther Show.
5.25 News.
5.35 Sport/Regional News.
5.40 It's A Christmas Knockout.
6.40 Jim'll Fix It.
7.15 Nanny.
8.10 The Two Ronnies.
8.55 Dallas.
9.45 News and Sport.
10.10 Match of the Day.
11.10 Michael Parkinson and his weekend guests.
12.10 am Barbara Mandrell and The Mandrell Sisters, with *Bob Hope and Marty* Robbins.

REGIONAL VARIATIONS: Cymru/Wales — 5.35-5.40 pm Sports News Wales.
Scotland — 10.00-11.10 pm Sportscene featuring Football. 12.50 am News and Weather for Scotland.
Northern Ireland — 4.55-5.05 pm Scoreboard. 5.35-5.40 Northern Ireland News. 12.50 am News Headlines and Weather for Northern Ireland.
England — 5.35-5.40 pm (South-West only) Saturday Spotlight.

BBC 2

10.10-11.00 am Open University.
†2.20 Saturday Cinema (1) "Captains Courageous," starring Spencer Tracy.
4.10 Play Away.
†4.35 Saturday Cinema (2) "Bitter Springs," starring Tommy Trinder and Chips Rafferty.
6.00 From Magna Carta to Microchips.
7.00 News and Sport.
7.15 In Front of the Children.
8.05 "Aida," opera by Giuseppe Verdi. Sam Wanamaker's new production at the San Francisco Opera. Margaret Price sings Aida, Luciano Pavarotti, Radames (a simultaneous broadcast with Radio 3) Acts 1 and 2.
9.40 Interval — conversation from the San Francisco Opera.
9.50 "Aida," Acts 3 and 4.
11.05 News on 2.
11.10 The Light of Experience.
†11.25-12.55 am Midnight Movie: "Chase a Crooked Shadow," starring Richard Todd, Anne Baxter and Herbert Lom.

LONDON

8.35 am Sesame Street. 9.35 Thunderbirds. 10.30 Tiswas.
12.15 pm World of Sport: 12.20 On the Ball; 12.45 The 2nd Great American Truck Race; 1.15 News; 1.20 The ITV Seven from Ayr and Worcester; 3.10 Hot Rod Racing — The Burton/Car Colours Winternationals from Wimbledon Stadium; 3.45 Half-time Soccer News and Reports; 4.00 Wrestling; 4.50 Results.
5.05 News.
5.10 "The Fall Guy," starring Lee Majors, Douglass Barr and Heather Thomas.
7.00 Cannon and Ball at Drury Lane with Jack Jones and Zee and Company.
8.00 3-2-1 presented by Ted Rogers.
9.00 News.
9.15 "Carquake," starring David Carradine, Bill McKinney and Veronica Hamel.
11.00 OTT.
12.00 Johnny Carson's Tonight Show.
12.40 am Close: Personal Choice with Pamela Stephenson.

All IBA Regions as London except at the following times:—

ANGLIA

9.00 am Sesame Street. 10.00 Sport Billy. 12.40 am At The End Of The Day.

CENTRAL

9.05 am Paint Along With Nancy.

CHANNEL

12.00 Midnight Video Sounds. 12.30 am Weather.

GRAMPIAN

9.40 am Joe 90. 10.05 Stingray. 12.00 Midnight Reflections. 12.05 am Dolly—Entertainment with country singer Dolly Parton.

GRANADA

9.15 am Cartoon. 9.20 Chopper Squad. 12.00 Midnight Lou Grant.

HTV

9.00 am John and Julie. 12.13 pm HTV News.
No variation between HTV West and HTV Cymru/Wales.

SCOTTISH

11.55 pm Late Call—Rev. Stewart Lochrie, MBE, Chaplain to the Deaf.

TSW

9.25 am The Saturday Show. 10.25 Survival. 10.50 Gus Honeybun's Magic Birthdays. 10.55 The Incredible Hulk. 11.40 Spiderman. 12.12 pm TSW Regional News. 12.00 Midnight Video Sounds. Tonight—Steve Hackett. 12.30 am Postscript. 12.35 South West weather and shipping forecast.

TVS

9.30 am Saturday Brief. 9.35 Handful of Songs. 9.45 Once Upon A Time. 10.05 Thunderbirds. 11.00 No 73. 12.00 Presenting Lena Martell. 12.30 am Company.

TYNE TEES

9.00 am Cartoon Time. 9.10 Fangface. 9.40 Thunderbirds. 12.13 pm North East News. 5.08 North East News. 12.00 Housecalls. 12.30 am Three's Company.

ULSTER

1.18 pm Lunchtime News. 5.00 Sports Results. 5.08 Ulster News. 9.14 Ulster Weather. 11.00 Welcome Back Kotter. 11.30 Bedtime.

YORKSHIRE

9.00 am "Peter Lundy and the Medicine Hat Stallion." 12.00 That's Hollywood.

RADIO 1

(S) Stereophonic broadcast
Medium wave

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. *12.00 My Top 12. 1.00 Adrian Juste* (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.30-7.30 In Concert (S).

RADIO 2

5.00 am Tony Brandon (S). 7.30 David Jacobs presents Star Sounds (S). 9.30 Pete Murray's Open House (S). 11.03 Kenny in 1982 with Kenny Everett (S). 1.00 pm Getting the Most Out of Your Body. 1.30 Sport On 2: Rugby Union: England v Australia; Cricket: India v England, Fourth Test from Calcutta; Australia v West Indies, First Test; Football: F.A. Cup, Third Round; Racing from Newbury at 1.30 and 2.00; 5.00, 5.45 Classified scores. 6.00 Country Style with David Allan. 7.00 Beat the Record. 7.30 Big Band Special with the Radio Big Band (S). 8.00 Saturday Night is Gala Night: Part 1: Los Paraguayos in concert; Part 2 (9.00 pm) James Last and his Orchestra. 10.00 Nordring 80 (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 I Know What I Like (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 A Year Of Music (S). 5.00 Jazz Record Requests with Peter Clayton (S). 5.45 Critics' Forum. 6.45 Violin Sonatas (S). 7.40 The Rapture and the Wretchedness by Brian Gear. The treatment of single sex institutions, *like the public school. In literature.* 8.05 "Aida." Opera in four acts by Verdi (sung in Italian) (simultaneous broadcast with BBC2) Acts 1 and 2 (S). 9.40 Interval Reading. 9.50 "Aida," Acts 3 and 4. 11.05 News.

Medium Wave as VHF except: 6.55-11.15 am Cricket: Fourth Test—England v India at Calcutta.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.50 Breakaway. 9.00-9.05 News. 9.05 Breakaway (part 2). 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz of the Year (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre. 2.35 Medicine Now. 3.05 Wildlife. 3.30 Lenya (1898-1981) interview recorded by Lotte Lenya in New York shortly before her death. 4.15 Fireside Gardening. 4.30 Does He Take Sugar? 5.00 Novels Up To Now. 5.25 Injury Time (S). 5.50 Shipping Forecast. *5.55 Weather; Programme News.* 6.00 News. 6.15 Desert Island Discs (S). 6.55 Victorious Lions. Martyn Williams recalls the British Lions 1971 rugby union tour of New Zealand. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre. 9.58 Weather. 10.00 News. 10.15 Nothing But My Genius. 11.00 Lighten Our Darkness. 11.15 A World in Edgeways. 11.45 On The Train to New Zealand. 12.00 News.

BBC RADIO LONDON

5.00 am As Radio 2. 7.32 Good Fishing. 8.05 Weekend What's On. 9.30 *Openings.* 10.02 All That Jazz. 11.30 The Robbie Vincent Show. 2.02 pm Breakthrough 5.00 Guideline. 5.30 Quest. 6.00-5.00 am Join Radio 2.

LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Magnus Carter. 10.00 Jellybone with Tommy Boyd. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allen. 6.00 LBC Reports with Des Fahy. 7.00 Geet Mala. 8.00 That Year of the Disabled. 9.00 LBC *Cinema Special.* *10.00 Nightline* with Therese Birch. 1.00 am Night Extra. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

7.00 am Graham Dene's Breakfast Show. 9.00 Countdown with Peter Young. 12.00 Dave Cash's Cash Country. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Greg Edwards's Soul Spectrum. 8.00 The Sounds of a City. 9.00 Capital Re-Cap with David Castell. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special.

TV Ratings w/e Dec 20 1981

ITV

1 Coronation Street (Wed) (Gran); 2 Coronation Street (Mon) (Gran); 3 London Night Out (Thms); 4 This Is Your Life (Thms); 5 Family Fortunes (ATV); 6 Game For A Laugh (LWT); 7 Bullseye (ATV); 8 Punchlines (LWT); 9 Crossroads (Wed) (ATV); 10 Crossroads (Tues) (ATV).

BBC 1

1 Bergerac; 2 Mastermind; 3 Hi-De-Hi! 4 Dallas; 5 Blankety Blank; 6 The Two Ronnies; 7 Tenko; 8 Top Of The Pops; 9 News And Sport (Sat); 10 News (Sun 22.05).

BBC 2

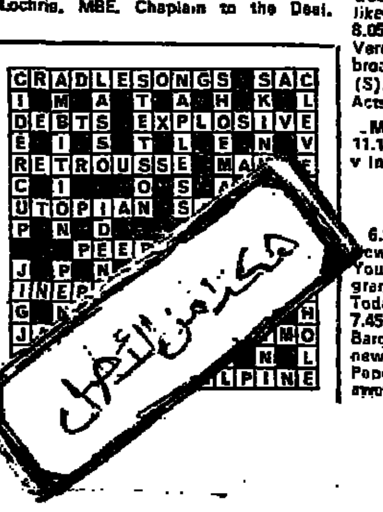
1 Chiffi; 2 MASH (Wed); 3 Russell Harty (Thurs); 4 The Borgias; 5 Tarzan's Desert Mystery; 6 MASH (Thurs); 7 Russell Harty (Tues); 8 The Legend of Boggy Creek; 9 The Man Who Fell To Earth; 10 Grange Hill (Wed).

SOLUTION AND WINNERS OF PUZZLE NO. 4,754

Mr A. S. Woodhams, 6 Avenue St Nicholas, Harpenden, Herts.

Mrs M. Speer, 33 Beechdale Avenue, Birmingham B44 9DJ.

Mr T. M. Coulson, 13 Luxemburg Gardens, London, W6.



CHESS SOLUTIONS

Solution to Position No. 404

1 Q-N3 ch, K-B3; 2 RxP ch! QxR; 3 Q-Q5 ch, K-N3; 4 Q-B5 ch, K-N2; 5 Q-B7 mate.

Solution to Problem No. 404

1 R-Q5, K-B2; 2 RxP ch, K-K1; 3 R-Q8 mate. If 1...K-R4; 2 B-QR4, and if K-N3; 3 B-K8 mate or if K-N5; 3 B-Q1 mate.

COLLECTING

Attempt to remove jumbo, from the Zoological Gardens. The Illustrated London News, February 25, 1882

One hundred years on

BY JANET MARSH

THIS YEAR a hundred years ago was auspiciously welcomed with sunny weather, though the nights were cold and foggy. A few news items of the day have a familiar ring. There was trouble in Ireland, aggravated by the chronic unemployment among the young, and with pressure on the Government to release suspects held in Kilmainham prison.

Terrorism was much in people's minds after the recent assassinations of the Czar and the President of the U.S. Only a few weeks into the new year, a poor crazy fellow called Roderick Maclean took a potshot at the Queen as she was leaving Windsor railway station. The Queen showed exemplary calm, and sent John Brown back to see if anyone had been hurt; but the only injuries were to poor, starving Maclean who was belaboured by two Eton lads before the police rescued him.

"Our solid national prosperity," exulted *The Illustrated London News*, "is happily little hampered by industrial conflicts. Workers' strikes have become rarer. . . . Better education, practised skills, mechanical invention, unflagging enterprise, and an unmatched mercantile marine, supplying our merchants and manufacturers with resources and facilities that defy competition, enable us to hold our own against the rivalry of protected interests all the world over."

In consequence, Board of Trade statistics for the first three quarter of 1881 showed an unprecedented surplus of more than £2¼m sterling. Mr Gladstone, it was anticipated, would by April still have a large surplus to give away for the relief of taxation or the reduction of debt. Given a good harvest, England's prospects were such that she could laugh at little anxieties like the murmuring Boers.

That New Year, Londoners might troop off without a care to see Irving at the Lyceum, or the new pantomimes—*Robinson Crusoe* at Drury Lane and a fairy-tale hodge-podge at Covent Garden. At Astleys' old Amphitheatre in Westminster Bridge Road, Sangers' Circus were presenting a gorgeous pantomime of *Bluebeard* which they claimed, eclipsed any production ever previously submitted to the public. How could it not, indeed, with a company of 800 people 50 "Magnificent Horses," 50 of the "Smallest and Handsomest Ponies to be found in any Establishment," to say nothing of the zebras and 20 elephants.

Two hundred elephants would not have consoled the British however for the loss they suffered the following March, when Jumbo, the Zoological Gardens' favourite pachyderm was sold for £2,000 to Phineas Barnum. Jumbo's first stubborn refusal to be budged stirred the hearts of the nation; and tens of thousands flocked to Regents' Park to pay their last respects to the loyal beast. It only later emerged that Jumbo may not have been the best of bargains for Barnum: his temper was getting too uncertain to risk continuing to take rides on him; and he ended his life not long after arrival in the U.S. in an altercation with an express train.

Today's collectors of antiques and works of art—concerned with the objects that any particular age consigns to them—are more affected by the revolution in taste that was at its zenith in these first years of the 1880s. The effects of a newly aroused aesthetic consciousness would include the aesthetic movement (at that very moment being preached to a startled United States by a touring Oscar Wilde), the arts and crafts movement ultimately and inevitably *art nouveau*.

The teaching of Morris and Ruskin that the lesser arts of life should be studied to make common things beautiful and daily life a pleasure and a joy, had taken root. A proliferation of propagandists proffered advice, in books and periodicals, on the decoration of houses, from the colours of the external paintwork to the appurtenances of the heart. Was it with tongue-in-cheek, or quite seriously, that the *Magazine of Art* in early 1882 printed an article on "The Coal Scuttle From an Aesthetic Point of View?"

The emphasis was on the beautiful, but particularly on the rational and the honest. The extravagant and irrelevant decoration that had been favoured by the earlier Victorians was decried. Simulation of other materials—the grained and marbled paintwork and flock paper so recently in vogue—were equally abhorred. Simplicity and the forms of nature, as designers were exhorted, could never mislead.

This aesthetic tendency extended to every aspect of life, not least to clothes. In 1881 and 1882 the National Health Society organised exhibitions of modern dresses for women, based upon two principles: ". . . the first thing to consider is what gives and secures health to our bodies; the second, what gives pleasure to the eye of ourselves and others by reason of its beauty." Tight corsetting and excessive draperies were condemned. Grecian styles, light boneless corsets, separate-toed stockings and sandals were advocated. A society of ladies calling itself The Rational Dress Society endeavoured to gain acceptance for the divided skirt, by means of which "each limb is separately clothed and warmth and decency are secured."

The garden enjoyed a similar liberation. The year 1882 saw the publication of *The Wild Garden* by William Robinson, the great Victorian gardener and mentor of Miss Jekyll. Robinson and his followers sought to do away with formal gardens.

If, then, you read the right magazines in 1882, and were rich (because craftmanship no longer came cheap) you might refurnish at Morris and Company or the Art Furnishers' Guild, founded by Christopher Dresser in Bond Street in 1879; and patronise Doulton's Art Potteries, or the Martin Brothers or William De Morgan.

The new mood profoundly affected the taste of collectors, who now reappraised the rustic vernacular of the old oak and delft and pewter and rural architecture that had hitherto been neglected by the sophisticated connoisseur.

GARDENING

Evergreen shrubs and trees take over

BY ARTHUR HELLYER

EVERGREEN SHRUBS and trees are now so much a part of our surroundings that it is easy to forget how few are really natives.

Principal among them are the yew, holly and ivy with the Scots pine as the only representative of the vast and mainly evergreen conifer tribe. Three centuries ago gardeners were receiving the first invaders from overseas with delight, calling them the "greens" and building special houses to shelter some of them since they could not believe they would survive our winters unscathed.

Soon many began to emerge into the open and some, such as the cherry laurel, *Prunus laurocerasus*, which arrived from Asia Minor in 1629 and *Rhododendron ponticum*, which came from the area of the Black Sea by way of southern Spain, where it had already naturalised itself, to reach Britain in 1763, liked it so much that they quickly leapt the garden fence and established themselves as wild, but not native, plants.

It is in winter that the evergreens come fully into their own, emerging as solid shapes which create an entirely new pattern in the garden or landscape as the leaves fall from deciduous trees and shrubs leaving only a varied tracery of bare stems to remind us of their presence. Since those early days the number of evergreen species has increased a thousandfold and whole collections have been planted with conifers alone though this seems an aesthetic mistake since evergreens gain at least as much from the contrast of deciduous trees and shrubs as these gain from evergreens. It is a point that has been well grasped by the creators of the splendid National Pinetum at Bedgebury in Kent where a satisfactory balance has been maintained though it is heavily weighted in favour of conifers.

Nor have our gardens simply been enriched with new species gathered in the wild. Varieties which would have been lost if left to fend for themselves have been eagerly seized upon by gardeners so that they could be kept alive and increased by appropriate means. Even the cherry laurel has been made respectable again by the introduction of such ornamental varieties as Schipkaensis and Zabeliana, both of which spread their branches horizontally and cover them with long narrow leaves, and Otto Luyken which also has narrow leaves but a more erect and compact habitat is outstandingly beautiful when covered in spring with its little candle-like spires of white flowers.

Like so many good plants, the aucuba lost favour by being overused.

It is still difficult to dissociate it from overcrowded Victorian shrubberies and even more difficult to believe that it is only a little under 120 years ago, in 1863 to be precise, that the first berried aucuba was displayed in public. The species itself was here by 1783 and it was a female plant that was introduced, but John Graeffer, who brought it from Japan, either did not know that the plant was unisexual or neglected to collect a male to fertilise its flowers and so enable them to produce their shining scarlet fruits.

Even to-day I think few gardeners realise how handsome a well berried green leaved aucuba can be. Nor is it all that easy to possess one since first one must find a nurseryman who stocks green leaved aucubas and knows the sex of all the plants. A few of the best can do it but they are rare. Among named varieties *Hillieri* is female and green leaved and *Crassifolia* is male and also green. All the yellow spotted varieties I know, including the readily available *Variegata* and more handsomely spotted *Crotonifolia*, are female and so is *Sulphurea* which has a band of yellow around the edge of each leaf but the colour may degenerate to yellowish green if the light intensity is low, and Gold Stride which has a central splash of yellow with spots outside. All these variegated kinds will berry freely if there is a male nearby but personally I prefer the contrast of plain green and scarlet.

Even more neglected than the laurels and aucuba is the strawberry tree, *Arbutus unedo*. It is much more nearly native than the laurels since, though it does not truly belong in any part of Britain it does occur naturally on the west coast of Ireland where it is to be found in both limestone and sandstone locations. It makes a large, shapely, densely branched bush with leaves a little like those of Portugal laurel and it is exceptional in producing both flowers and fruits at the same time in winter since the latter take a full year to develop and ripen. They are bright red and globose, hence the popular name, and the flowers are small, white and urn-shaped, produced in clusters at the tips of the shoots so that they are well displayed above the leaves. It has been cultivated for centuries yet remains an unfamiliar plant though maybe that can be rectified soon since at least one of the big wholesale nurseries is now growing it in containers for sale at garden centres.

The Car of the Year

MOTORING

STUART MARSHALL

The Renault 9, a potential best seller

GENERAL MOTORS must be very disappointed. Once again, their strongly favoured entry in the Car of the Year stakes has been pipped at the post.

The winner is the Renault 9, to which the international jury of motoring writers gave 335 points compared with the 304 awarded to the Vauxhall Cavalier/Opel Ascona. In third place, a couple of lengths behind the leaders, was the semi-estate Volkswagen Polo (252 points) and fourth was BMW's new five-series saloon (153 points).

Unlike last year, when I forecast the winner, second and third place cars correctly, I didn't quite get it right this time. Nearly two months ago (this column, November 14) I wrote that I thought the GM car would beat the Renault into first place by a nose, that the Polo would be third and the BMW fourth. My selection for fifth place, the VW Passat, actually came sixth, beaten (103 points against 86) by the Talbot Tagora. What I though would be the leader of the also-rans—the Talbot Murena sports car—was just that. It came seventh, with 29 points. Tail enders among the ten runners were the VW Scirocco (16 points), Datsun Laurel (15) and Toyota Cressida (7).

Either the GM car or the Renault 9 would have been worthy winners. Perhaps the Cavalier/Ascona was just a little too bland to catch the imagination and the votes of the jury, though it is an excellent middle-of-the-way car in every important respect. All 52 members of the jury appear to have included the Cavalier/Ascona in their short list for the Car of the Year but did not give it enough individual points to win the award, which goes to the car with the highest aggregate. Two or three jurymen from Scandinavia did not short-list the winning Renault 9, which can only be a reflection of Renault's unhappy sales performance in the region of late.

Clearly, the Renault 9 and GM Cavalier/Ascona will be as successful in the market place as they have been in the Car of the Year contest. And that is not always so. Cars of the Year that have not lived up to expectations have included the Rover 3500 and the 1980 winner, the Lancia Delta — the latter chosen instead of GM's far more deserving Opel Kadett/Vauxhall Astra.

Already, the Cavalier/Ascona is a familiar sight on British roads. It is being assembled here from mainly German-made components as a two-door or four-door saloon or five-door hatchback with 1.3 litre or 1.6 litre engines.

The Renault 9's introduction with right-hand drive is scheduled for early March. Although only one body style is offered — a neat, quite sharp looking four-door, three-box saloon — there is an almost bewildering variety of engine, transmission and trim options. The engines range from a 1.1 litre of 47 horsepower to a 72 horsepower 1.3 litre. There are four- and five-speed manual and three-speed automatic transmissions and the six trim levels run from fairly basic to decidely luxurious. Options (some standard on the poshest models) include central door locking, electric windows and even air conditioning.

Interestingly, the top trim level can be had with the smallest engine and four-speed gearbox in France. Renault UK will be bringing in a good spread of models from the beginning. Details are not yet known, but I am confident that nearly all will have the five-speed manual gearbox (an exceedingly good one, I discovered when sampling the R9 last summer) or the electronically controlled three-speed automatic Renault make themselves.

I will make two forecasts about the Renault 9 in Britain. First, that it will be priced between £4,400 and £5,000-plus. Second, that it will become Renault's best selling car. Together, I foresee the R9 and R12 — both three-box saloons — will account for 50 per cent of Renault's UK sales within a year. And that makes a considerable U-turn by the car manufacturer that practically invented the hatchback body 20 years ago.

The VW Polo, which went on sale here a few weeks ago at £3,798 upwards, provides a new benchmark of quality, refinement, performance and practicality in small cars. The BMW 5-series is everything an executive class car should be. The British Guild of Motoring Writers thought well enough of it to make it their Top Car of 1981. It must have been higher in the Car of the Year results had it been more radically restyled.

Finally, a forecast. This year the diesel car, whose cause I have espoused for so long, really will begin to make a mark in Britain. There will be British—or at any rate British-sounding — diesel cars to be bought. Cars like the BL Princess's successor, the Ambassador; the Vauxhall Cavalier, Ford Escort and perhaps the Cortina replacement, due out in September. The Japanese — a diesel Datsun Cherry has been spoken of — and perhaps Fiat, who sell diesel 127, Strada, 131 and 132 models in Europe — will decide to get in on the act. By this time next year the diesel car will no longer be a curiosity in Britain.

RACING

DOMINIC WIGAN

SHEIKH ALI ABU KHAMSIN, who won the opening events at Cheltenham both on Thursday and again yesterday must beb hopeful of notching a remarkable hat-trick of first race successes through Fifty Dollars More. Provided that Newbury has passed its 7 am inspection brought about by long periods of heavy rain in the Home Counties, Fifty Dollars More will be a warm order for the Wantage Novices Chase.

Something of a course specialist at Newbury with three victories to his credit already, the seven-year-old half-brother to Floating Pound and Rome Express has been improving steadily since the autumn. The length conqueror of Prosper You Can in a 2½-mile Lambert and Butler qualifier in October, Fifty Dollars More was making a quick return to the course when putting up a tremendous performance in conceding 5 lbs to Connaught Ranger over the same trip in the Cokethorpe Novices Chase 10 days later.

However, his jumping on the Esher course left him far from foot perfect on landing at three or four of the stiff fences and he will need to be at his best in that department if he is to get away with the concession of 5 lbs to Rusthall.

Ninety minutes after Fulke Walwyn saddles Rusthall for the Novices Chase, the Saxton House trainer is surprisingly without a runner in the Bradstone Mandarin Chase which remembers the Lambourn trainer's greatest chaser of 1961 and 1962. That redoubtable stayer Tragus can take advantage of the 19 lbs he receives from another Cheltenham hero of the recent past, Night Nurse.

Whatever the fate of Newbury there should be some interesting racing today, for no problems are reported at Ayr.

NEWBURY
12.30—Fifty Dollars More
1.00—Sir Doro
1.30—Hever
2.00—Tragus***

AYR
12.45—Castleholm
1.15—Sunny Park
1.45—Luxuriate**
2.15—Easby Gold*

BRIDGE

E. P. C. COTTER

MY FIRST HAND today was played by an international:

N
♠ J 4
♡ 10 5 3 2
♢ K J 9 8
♣ K 7 2

W
♠ 10 7 3 2
♡ K J 6
♢ 7 5 4
♣ Q 9 3

E
♠ Q 6 5
♡ A Q 9 7 4
♢ 6 3
♣ 10 8 4

S
♠ A K 9 8
♡ 8
♢ A Q 10 2
♣ A J 6 5

WITH NORTH-SOUTH vulnerable, South dealt, and opened the bidding with one diamond, which North raised to two diamonds, and East came in with two hearts, for which we can hold no brief. South now made a reverse bid of two spades, North jumped to four diamonds, and South went to five.

West chose the heart six as his opening lead. East won with the Ace, and returned a heart, which South ruffed with the two of diamonds. The declarer now led the eight of spades, and ran it when West played low. This drew the Queen from East, who returned another heart, which was ruffed in hand. The declarer drew trumps, and made his contract with three spades, two clubs, four diamonds and two heart ruffs.

The line adopted by South was not the best. Once he has ruffed a heart with the diamond two, the rest of his trumps are high. This surely cries out for a crossruff. The declarer should cash Ace, King of Spades and follow with Ace, King of Clubs. The cashing of side suit winners is an essential preparation for crossruff play, in order to prevent the high cards from being ruffed by a defender who may have the opportunity to discard during the crossruff process.

Now declarer ruffs two more hearts in hand and two spades on the table, losing just one club and one heart. This line of play can only fail if one defender has a black singleton, which is most unlikely.

Incidentally, if East had not made his bad bid of two hearts, West might have led a trump, and everything might have been different.

The next example comes from a World Championship:

N
♠ 8 7 4
♡ Q 9 5 3
♢ K 7
♣ K Q J 4

W
♠ J
♡ K J 10 2
♢ Q J 3 2
♣ 10 8 5 3

E
♠ K 6 5 3
♡ 8 4
♢ A 10 8 5
♣ 7 6 2

S
♠ A Q 10 9 2
♡ A 7 6
♢ 9 6 4
♣ A 9

With both sides vulnerable, East dealt and passed, and South bid one spade, to which North replied with two clubs. South rebid two spades, and went to four spades after a raise from his partner.

West led the diamond Queen, the King covered, and the Ace won. A heart return at this point gives the declarer no chance, but East cashed the diamond 10 before leading back a heart. The declarer put up his Ace—that was correct—but he then decided to run four clubs, and that was an error.

He got rid of one heart loser, but East ruffed the last club, and played another heart. South ruffed in hand, ruffed a diamond on the table, and led a trump. Success depended on finding the trumps divided with the King in the East hand, which was not the case.

The declarer did not adopt the best line. At trick four he should ruff the diamond, return a spade, and finesse the Queen, with the intention of cashing the Ace, and then running the clubs. As the cards lie, when the Knave drops on his left, South changes his plan, and cashes three rounds of clubs, discarding one heart loser. Then he leads the eight of spades, confronting East with a Morton's Fork dilemma. If he covers, he makes no trump trick; if he does not, dummy's last club is led, and East can do nothing about that.

CHESS

LEONARD BARDEN

THE GENERAL reluctance of Soviet media to lavish praise on individuals makes the red carpet treatment for Karpov after his victory in Merano stand out as quite exceptional. **Sovietsky Sport** gave extensive front page photo coverage over half-a-dozen issues to his triumphal return from Italy.

Messages between Karpov and President Brezhnev, congratulatory messages from grandmasters and sports personalities, announcement of an Order of Lenin, a public autograph signing day, and a long personal interview on the match—all followed in swift succession. Moscow University has already nominated Karpov as its sportsman of 1981 and it seems likely that other organisations will follow.

This super-star treatment is also occurring at a more gradual pace with the brilliant 18-year-old Harry Kasparov who is widely predicted to become Karpov's next challenger in 1984. Kasparov seems free to give personal interviews and these have already included his cool description of Karpov's last year as "a player with no special talent" which has aroused permanent needle between them.

In Kasparov's latest media appearance he was asked to state his next ambition and replied "World Champion" without hesitation or hedging.

Last month the new chess crown prince was among 18 competitors in the annual USSR championship at Frunze, Central Asia. Although the entourage who accompanied Karpov to Merano were absent, this was a strong event where the top five qualified for a world title zonal.

Its quality was amply demonstrated by the poor performance of Belyavsky, recent winner of the great Tilburg international, who for most of the championship struggled in the lower half of the field.

Kasparov lost in the second round to the defending holder Psachis but then a run of five successive wins put him in the lead.

His fluent attacking play included this impressive win over a strong grandmaster rival:

White: v Cheskovsky. Black: H. Kasparov. Sicilian Defence (USSR Championship, Frunze, 1981).

1 P-K4, P-QB4; 2 N-KB3, P-K3; 3 P-Q4, PxP; 4 NxP, N-QB3; 5 N-QB3, P-Q3; 6 P-KN3, N-B3; 7 B-N2, B-Q2; 8 O-O, B-K2; 9 P-QR4, O-O; 10 QN-K2, R-B1; 11 P-QB3; P-QR3; 12 P-R3, Q-B2; 13 P-KN4, P-Q4!

White has handled the opening indecisively, mixing restraint (move 9) and slow regrouping (moves 10-11) with an incongruous attacking gesture (moves 12-13). Meanwhile Kasparov has massed his forces ready to open up the centre and utilise his superior mobility.

14 PxP, NxQP; 15 BxN, PxB; 16 N-B4, B-QB4; 17 N-N3.

If 17 NxP Black regains the pawn with advantage by 17 . . . Q-Q3; since if 18 NxN, Q-N6 ch! exploits the weakened K-side.

17 . . . B-R2; 18 QxP.

A poisoned pawn capture whose rationale is White's need to defend against the threat of B-N1 followed by P-KN4 mating or winning a piece.

18 . . . B-K3; 19 NxB, PxN; 20 Q-K4.

If 20 QxP ch, K-R1; 21 B-K3, B-N1; 22 P-KB4, KR-K1.

20 . . . RxP! 21 RxR, Q-N6 ch; 22 Q-N2, BxR ch; 23 K-B1 (or 23 K-R1, Q-Q6 with a winning attack), Q-K4!

Decisive, for if 24 QxB wins the queen while 24 KxB, R-B1 ch soon wins the queen or mates.

24 B-B4, QxB; 25 QxB, Q-QB5 ch.

Rather a banal finish after the preceding tactics. White resigned, since he loses his knight.

Not everything goes smoothly for a chess hero. Kasparov lost to Boris Gulko, the Moscow champion who made his award ceremony the occasion for a plea for exit visas for Korchnoi's wife and son. But at the end of the tournament Kasparov was Soviet champion jointly with Psachis. Both scored 12½ out of 17.

POSITION No. 404

BLACK (11men)

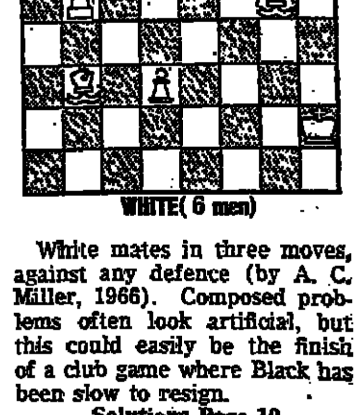
WHITE (12men)

This diagram comes from a 1965 master game in Belgrade where White (to move) has already sacrificed a knight to expose the black king. He now continued 1 Q-Q5 ch, won some moves later, and so impressed the watching journalists and spectators that his victory was dubbed "the Yugoslav Immortal." But then it was pointed out that 1 Q-Q5 ch was no brilliancy but a missed opportunity.

What should White have played?

PROBLEM No. 404

BLACK (3 men)



WHITE (6 men)

White mates in three moves, against any defence (by A. C. Miller, 1966). Composed problems often look artificial, but this could easily be the finish of a club game where Black has been slow to resign.

Solutions Page 10

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 8954871. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone 7598 1. Editorial: Frankenallee 71-81. Telex: 416052. Telephone 7598 236.

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FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Saturday January 2 1982

Miracles take a lot longer

THE impossible we will do tomorrow; miracles take a little longer. That cheerful slogan from a couple of decades ago sounds these days like a benign sort of lunacy. After a year of shattered hopes, whether of democratic reform in Poland, of supply-side stimulus in the U.S., or of the helpful effect of rational expectations under a determined UK government, it is clear that miracles take a lot longer.

Leaving aside all the complexities or particularities, there are three possible views of the coming year. The first, which might be described as the official-optimistic or OECD view of the world, is that we started to make some progress, in spite of the setbacks, towards conquering the problems of confrontation, inflation and world financial disorder and that 1982 will show further modest progress, on balance.

View

The second, which might be broadly characterised as a "wet" view, is that some of our present policies are fundamentally mistaken. They will be amended, but too slowly. Things will probably get worse. The third, or mould-breaking view is that a combination of disappointment and popular pressure is preparing the way for a radical change.

The optimistic view has more to be said for it than might appear to anyone simply looking back on 1981. Leaving aside a somewhat sombre international picture, things might have been a good deal worse. The second oil shock has caused less inflation — and, internationally, less recession—than the first.

We have learned that recession cannot be escaped when inflationary pressures are met with firm monetary restraint; but the pressures which prolong inflation — immoderate real incomes, spiralling domestic and balance of payments deficits—can be checked. In 1982 there is reason to hope that the pressures against the monetary limits will abate, leaving room for the beginnings of a soundly-based recovery. That is the picture that the OECD presented at the turn of the year.

Objectives

However, many observers, especially in the UK, are likely to regard this as too facile a view. It may be true that we have learned to economise in energy, and to adapt to a cut in real incomes, but policy is still crude and fumbling. In Britain, this is seen in the endless failure to hit monetary targets, which has started a lively debate on an alternative target for financial discipline. In the U.S., the rapidly rising Federal deficit is seen as a threat to the private sector, and the resultant interest rates as a threat to possibly better-balanced strategies in other countries.

We may redefine our objectives, notably by giving greater priority to stabilising exchange rates, and refine our methods; but weak consumer demand, high interest rates, and reviving wage pressure make the whole outlook unpromising. This is probably something like a consensus British view of 1982.

Faced with such an unsatisfactory domestic outlook, and a threatening one overseas, increasing numbers of people are beginning to look for something more radical. The idea of a third force or a third way has long persisted in the background of European politics, and is now enjoying one of its periodic vogues.

In its more extreme forms, this so-called radical approach includes a large element of wishful thinking. The idea that we can simply opt out of the cold war without cost, or abolish social conflict by establishing co-operatives, reflects a feeling once neatly summed up in the title of a musical—Stop The World, I Want To Get Off.

To say this, however, is not to condemn the new alternatives now being discussed, for the old doctrines are also looking pretty threadbare. The extraordinary start made by the new alliance in British politics, the strong revival of popular support for the peace movement, and the increasingly visible strains within the Western alliance and within the Comecon group all argue for change. The Pope and Chancellor Schmidt could prove as significant an alliance on the world scene as that of Mr David Steel and Mr Roy Jenkins in British politics, capable of changing the terms of reference of debates which have been going on for decades.

Tremor

The road from new ideas to new political realities is a long one, and the year is likely to be marked more by raucous debate than by real new departures. Meanwhile, one new and alarming subject may force its way on to the agenda. The Polish crisis has already caused a tremor in the banking world, and the whole structure of nominally short-term but realistically long or irredeemable international debt is causing growing uneasiness. A radical financial reconstruction to consolidate and stabilise this card-house could provide the most alarming, but ultimately the most hopeful development in the coming year—though again we are likely to see no more than the first scene. The best we can hope for 1982 is that it proves to be a year of new beginnings.

SOUTH AFRICAN HOMELAND

Showbiz and shanty town

By J. D. F. Jones, Johannesburg Correspondent

Bophuthatswana contrast: the resort of Sun City (left) and women drawing water from a well in Winterveld

ON THURSDAY morning, in the baking heat of a mountain valley a hundred miles across the veld from Johannesburg, five of the world's top golfers and 10 "celebrities" from showbusiness teed off on what is billed as the century's richest tournament. It also has a claim to be the most grotesque.

The venue is Sun City, South Africa's new £50m resort-complex—except that it's not in South Africa but in the "nation-state," or black tribal homeland, of Bophuthatswana, *which the* South Africans insist is independent although no other government in the world has agreed. The prize money for the tournament, which ends tomorrow, is $1m, to be divided between the five golfers lucky enough to have been invited. They are playing in a country where the average income per head is less than $200 a year. The winner will take $500,000; the man who comes in fifth gets $100,000, which is assured even if he shanks and three-putts from start to finish.

The whole circus may or may not say something about the state of the international golf circuit. It is certainly a useful illustration of one of the central political phenomena of South Africa today, the "homelands."

The five stars are Jack Nicklaus, Sevvy Ballesteros, Lee Trevino, Johnny Miller and their South African host, Gary Player; the 10 "amateurs" include Sean Connery, Telly Savalas and various of the singers or ex-sportsmen who are often to be seen on late-night television in Pro-Am charity tournaments. They and their families, managers and girlfriends were flown into South Africa this week from all over the world, all expenses paid, though of course only the five professionals will share the million dollars.

[Nineteenth-hole speculation that they have already agreed to split the money five ways was being sternly discouraged by the organisers, who pointed out that the second prize was only $160,000. In other words, if there is a tie followed by a sudden-death playoff tomorrow afternoon, $340,000 could hang on a single putt.]

But this is only the tip of an impresario's iceberg. The last five holes have been sponsored by South African companies for $40-50,000 each. If you hole in one at the sixteenth, for example, you will win a $150,000 Lamborghini with the compliments of John Player Special cigarettes. These are the television holes: SABC will do the filming and get free rights in South Africa while the organisers have sold the international rights to a number of golf-minded nations, Britain, West Germany, Japan, US Cable, and so on.

The TV rights are important because there is no way Sun City will recover the million dollar prize money, not to speak of the other expenses, from entrance tickets alone. It is a 2½-hour drive from Johannesburg and the Reef, in the middle of the summer holiday season when many people are a thousand miles away on the coast. At the most optimistic guess, the last day might get 10,000 visitors, with the first three days anything over 5,000. At R10 (£5.55) a time this is not going to be much over $250,000.

The driving force behind Sun City is a tough and trendy operator called Sol Kerzner who, as chief executive of Southern Sun Hotels runs the biggest hotel chain in the Republic (Southern Sun is 70 per cent owned by South African Breweries). The company chose to plough R85m into an hotel and entertainment complex in dry and barren territory the other side of the Magaliesberg Mountains for the very simple reason that it needed to get beyond the reach of the puritanical laws of the South African Government.

This meant escaping Pretoria's objection to nudity, multi-racial sex, pornographic films, uncensored magazines and, above all, it meant getting away from the Republic's prohibition on gambling. The white South African passion for forbidden fruit is nowhere so extreme as in the gaming room. The genuinely - independent neighbour states of Botswana, Lesotho and Swaziland discovered this years ago and set up thriving casino-hotels. But they are all a long drive from the Johannesburg-Pretoria metropolis and, with the coming of "independence" for the tribal homelands, Southern Sun Hotels saw the chance. They did a deal with the President, Chief Lucas Mangope, for a fifty-fifty joint operation with the Bophuthatswana National Development Corporation, and Sun City was born.

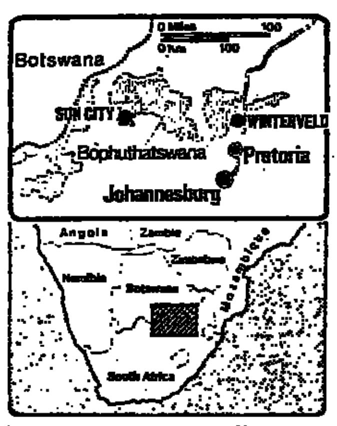
Today it is a 588-room Las Vegas-style structure of considerable vulgarity where the fruit machines and roulette wheels are backed by lavish sports and entertainments facilities, a game park, and in particular, by a "Superbowl" auditorium where Sol Kerzner has spent wildly in hiring the top (and often over-the-top) international entertainers.

He can attract them on the argument that Sun City is not "South Africa" but a multi-racial non - discriminatory, sovereign state. (This is both truth and nonsense at the same time.) Not a month passes in Johannesburg's Jan Smuts airport without a Big Name protesting (a) that he doesn't know anything about politics and (b) that he is visiting not South Africa but—"what's it called, Sol?" (The pronunciation of Bophuthatswana is sometimes a difficulty.)

The Beach Boys, middle-aged and plump, are there this week, plus Lulu. Shirley Bassey was there the other day. Sol Kerzner's triumph was to get Frank Sinatra for the opening show last winter, and Chief Mangope made him an honorary Tswana Chief.

All of this must be very expensive and can only be justified because it has the same strategy as this week's golf, or the abortive attempt to get Borg and McEnroe, or the occasional world boxing championship — that is, as a Southern Sun spokesperson said to me so candidly: "We've got to get the bodies to the slots." Which means: white South Africans have to be attracted in sufficient numbers to drive those 2½ hours across the veld and into the Casino, and then drive back again, probably poorer, and with the new risk of night-time stone-throwing from the unamused Tswana who live in squalor along the way.

> Winterveld: It is a rural slum. There are no services—no electricity, no sewerage, just the occasional borehole or pump—and it contains half a million people . . . Many whites in South Africa do not even know it exists.



Bob Hutchison

To many of those sober South Africans who vote for the ruling National Party, developments like this (and another casino has just opened on the Transkei's beautiful Wild Coast) are an exploitation of the apartheid ideology of Dr Verwoerd which are at best distressing and at worst obscene. It was surely never intended (they ask) that "separate development" should create enclaves in which South Africans would be encouraged to indulge their vices.

The thinking behind Dr Verwoerd's grand design of apartheid had been persuasive: the white minority would be swamped unless the black majority could be differentiated into its ethnic or tribal components; give the black tribes their own identity, their own territory and their own political systems and they would discover they were content to go their own way and leave the whites to enjoy their rich life unchallenged. Admittedly, it was worrying that only four of the Bantustans have agreed to accept independence (Transkei, Bophuthatswana, Venda and, this month, Ciskei). Has something gone wrong?

The answer is only marginally to do with Sun City and its like. It is evident enough to anyone who bothers to drive a mile or two off the tarmac of the main highways. (It is important at this point to note that Bophuthatswana's economic achievement since "independence" in 1977 has been substantially better than the others, thanks mainly to its mining sector. In many ways Bophuthatswana is the best of the Bantustans.)

There is a side to life in Bophuthatswana which is never noticed, or at least admitted, by the singers and the golfers in Sun City. Take just one example.

Winterveld is in Bophuthatswana too, though in another of the six chunks of territory which add up to the size of Switzerland and make up Chief Mangope's Tswana nation. Winterveld is only 20 miles north of Pretoria, just inside the Bophuthatswana frontier (though there are no immigration formalities)—that is, it is almost as close as it is possible to live in black South Africa if you want to commute every day to work in the white areas.

But Winterveld is not a township, like Johannesburg's famous Soweto, with its serried acres of low-cost housing. It lies in the veld beyond the "official" township of Mabopane, which fulfils this role for Pretoria and Pretoria North. Winterveld can only be described as a town—a city—of shanties, ranging in sophistication from corrugated iron sheds to mud huts and then to small bungalow structures. It is a rural slum. There are no services—no electricity, no sewerage, just the occasional borehole or pump—and it contains more than half a million people. It extends more than 10 miles square across the open veld just west of the Great North Road, and many whites in South Africa do not even know it exists.

It is not even new: Africans have been drifting to Winterveld since the 1940s because they have heard that the land is black-owned (which was true, and is still true today now it is inside Bophuthatswana) and that they can rent a small space, put up a shack, and look for work in Pretoria or its surroundings. No one really knows how many people are there: the Black Sash, the liberal women's organisation, insists at least 500,000.

Something will have to be done about it one day (if only because cholera is, not surprisingly, a constant threat) but no one is eager to accept responsibility. To Pretoria it is part of Bophuthatswana. To Chief Mangope's government, the population is largely non-Tswana who therefore belong in some other homeland. An "Inter-governmental Committee on the Upgrading of Winterveld" is believed to have put up proposals.

It is a reminder of basics. These people are from different tribes. They have been "resettled" or "relocated" as part of the great government-directed process which, according to estimates, has shifted between 2m and 3m people since 1960. Some have been moved out of "black spots" in the white areas; others have been "endorsed out" of the white cities; still others have had to move because their land has been "consolidated" into the territory of other ethnic groups; others were "squatters" on white farms whose labour is no longer needed or permitted. Again, no one knows the exact figures. The Institute of Race Relations describes this shadowy and jargon-ridden world of population transfer as "a statistician's nightmare."

It seems a long cry from the million-dollar golfers in Sun City. But it's the same country, the same system, the same homeland.

As the cliché has it: South Africa, land of contrasts . . .

Letters to the Editor

Moods

From Ms S. Dow

Sir,—W. L. Leutkens' Lombard column (December 23) reports a study showing national mood to be a good predictor of economic activity in Germany.

It is in fact interesting to see such a strong vindication of Keynes' *General Theory*. Keynes argued that the business cycle was generated by changes in investment expenditure, which in turn resulted from the "animal spirits" of investors—for which there is no better proxy than the national mood.

Monetarists would no doubt argue that this "mood" is a rational response to the money supply changes which are the root cause of economic fluctuations. National mood however, was apparently a better predictor for Germany than conventional economic variables, including, presumably, the money supply.

The Keynesian - Monetarist argument indeed has usually boiled down to the question of whether or not the correlation between money supply and economic activity is in fact correlation of each with a common cause, namely investors' expectations, that is the state of their animal spiirts. It is particularly pertinent at this time to note this additional evidence in favour of the Keynesian view.

(Ms) Sheila C. Dow.
9 South Street, Cambuskenneth, Stirling, Scotland.

Competition

From Mr R. Grant

Sir,—The apparent unwillingness of the Government to offer any significant help to Laker Airways with its problems should not be misconstrued as evidence of the Government's uncompromising commitment to the principles of the competitive market economy—the reverse is the case.

Laker's difficulties stem, not from competition, but from the distortion of competition arising from the various types of state support for British Airways (and for other national airlines) and the predatory and discriminatory price cutting by BA and other major airlines on the routes which Laker flies. (The situation here is analagous to that faced by Britain's private steelmakers.)

The maintenance of "workable competition" in such circumstances requires: equal treatment between BA and private British airlines in respect of direct and indirect financial assistance, and the application of existing competition law and/or regulatory powers to prevent BA (and, as far as is possible, other airlines) from using profits earned on fully cartelised routes to subsidise predatory tactics on routes where competition exists.

Rob Grant,
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*Frobisher Crescent,
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Universities

From Mr L. Rodger

Sir,—Mr Maclean (December 23) states that the comparison between places available at Scottish Universities over the period 1981-84 may be misleading because the number of school-leavers may have fallen. In fact, the age group is actually increasing and does not decline from the 1979 level until the end of the 1980s. At a time when we should be rebuilding the foundation for eventual industrial and economic recovery, the Government is reducing the opportunities for 17 and 18 year olds with the ability to successfully complete a University course of study.

In answer to Mr Maclean's second point, who is to say that the number of places available in 1981 was right in total or in distribution between the various faculties and in the various Universities? In comparison with France, Italy, West Germany and Japan the total number of students between the ages of 16 and 24, in full-time education of any kind in Great Britain and in British Universities, is a lower proportion of the population. Can this be right? There is no objective evidence that the distribution of numbers between faculties and Universities in Scotland is wrong. There is a great deal of subjective and prejudiced opinion as regards what the distribution should be. All previous attempts at centralised manpower planning by the Government have been grossly in error. The Meteorological Office has a better forecasting record.

According to the new edition of Social Trends total public expenditure on education in Britain will have fallen by 10 per cent in real terms between 1975-76 and 1981-82. Universities have suffered relatively the worst cuts with current expenditure set to fall by 21 per cent and capital expenditure by 68 per cent over the five years. Spending on further education and teacher training will have fallen by 16 per cent over the same period and the total spent on schools by about 11 per cent. Overall, the cuts in educational expenditure are far and away the greatest as compared with any other public sector. Of course, Universities are not immune from their share of cuts in public expenditure. But even in time of recession there should be some rational order of priorities. What is manifestly clear is that the Government has no strategy for higher education as a whole—and if you don't know where you're going, any cuts will get you there!

L. W. Rodger.
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Training

From the Development Officer, Construction Surveyors' Institute.

Sir,—Members of the Construction Surveyors' Institute have welcomed the decision of Mr Norman Tebbit, the Secretary of State, to include the Construction Industry Training Board in the seven boards to be retained on a statutory basis. Some aspects, however, of the detailed arrangements surrounding the decision appear to be anomalous, even unfair, and leave the industry more than a trifle disgruntled.

The Manpower Services Commission recommended to the Government that the operating cost of industrial training boards should continue to be borne by the Government for three years. The decision to transfer the CITB's operatidg costs to the industry from April 1, 1982, not only comes very late in the day; it also imposes on an already seriously debilitated, run-down and financially hard-pressed industry the job of finding an extra £6m or so in the year 1982/83. This will not be all that easy, and it does nothing to mollify the construction industry to know that the operating costs of those industries in which training will be conducted under voluntary arrangements will continue to be met from Government funds up to the end of March, 1983. This Institute submits that it would be no more than fair and reasonable for the Government to continue likewise to cover the CITB's operating costs for one year after April next.

Currently there is a 1 per cent payroll ceiling on the amount companies are required to pay in training levy. There are, however, several thousand firms who, mainly because of their large-scale use of the services of labour only sub-contracting personnel (in respect of whom the levy is 2 per cent), should be paying more than the normal 1 per cent.

The industry as a whole is thus not only not getting the funds it ought to have to meet its training costs; there is also the unsatisfactory situation that those firms who should be paying more than 1 per cent still get, in the way of training grants, as much as anybody else and to this extent are being subsidised by the industry's remaining levy-paying firms.

What is needed here is a speedy decision by the Secretary of State to abolish the levy ceiling and thereby leave the industry free to determine a system and rate of levy for all firms which is commensurate with its training needs.

A high proportion of those trained in building skills subsequently take up employment in local government, nationalised industries, on the railways and the like. So, although their training is paid for by the industry proper their skills are soon lost to other sectors of the community which have paid nothing towards the cost of the training. This Institute believes that these other sectors should contribute to the cost of providing training in construction skills. A favourable Government decision on this issue would remedy a situation which is at once anomalous and unfair.

B. A. Hunt.
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Management

From Mr E. Gowrie

Sir,—Your report (December 21) of Mr Mumford's contribution to the first world congress on management development raises a number of issues about the relationship of "manufacturers" and "consumers" of management education.

The first problem involves the lack of quantifiable evidence of "improvement" made by participants when they return to their normal activities (often to overloaded in-trays!). With the exception of highly specialised, technique oriented courses it is often difficult to detect immediate improvement in work performance. It is very difficult for management educators to follow up their work in any meaningful way. It is, however, true, that a number of people make excessive claims for their programmes which leads to unrealistic expectations on the part of the sponsors. There is also a problem as to the type of course people are sent on. The majority of programmes are generalised and non-company-specific for the simple reason that the costs of designing and running courses for individual companies are unacceptably high for most companies yet they feel that they ought to make some gesture towards continuing management development and so purchase an "off the peg" as opposed to a bespoke tailored course. An allied factor is that companies tend to be reluctant to take part in course design and in preparing participants for the course or helping them turn their knowledge to practical use.

Mr Mumford has a number of legitimate complaints but in placing all the responsibility for these on the business schools he is ignoring a number of other contributory factors. It would be just as easy to find a "growing number of personnel managers" who are very appreciative of UK business schools.

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(Lecturer in Marketing),
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VAT

Sir,—We have just been notified by the VAT officer that current repayments will no longer be authorised at the monthly intervals, previously practised but that such repayment claims will only be processed after a delay of thirty days.

This directive, being of doubtful legality, will discourage still further the exporter of UK goods while only very moderately helping to camouflage the monthly supply figures.

H. Mainz,
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Rosemary Burr reports on voluntary liquidations

Insolvency: easy pickings for the unscrupulous

Ashley Ashwood

Lorries for sale, many as a result of liquidations, in London's Old Kent Road

MR. JOHN HARPER, and his wife Josie, were the sole directors of a small Barnsley road haulage company. Out of the blue a Mr Barry Calvert turned up with what seemed to be the answer to their cash flow problems.

Mr Calvert persuaded the Harpers to put their company KMH Transport Services (Sheffield) into members' voluntary liquidation and Mr Calvert was appointed joint liquidator. That was in February 1980. With hindsight, the move was a ghastly mistake.

The Harpers had to borrow £8,000 from the bank under personal guarantee to secure Mr Calvert's services. The liquidation of KMH was a shambles. Some of its vehicles — its main asset — were left to rot, records were kept inadequately and most of the company's creditors have never been paid. The available records, which are by no means complete, show a deficiency of about £40,000.

What is more, the Harpers had put their signature to a declaration of solvency which Arthur Young McClelland Moores and Co, the accountants who have picked up the pieces of the liquidation, say was "overstated." The penalty for an incorrect declaration of solvency is six months' jail or a fine of £500. Anyone inducing another to sign a false statement can also be subject to prosecution.

The Harpers are not unique. Another of Mr Calvert's customers was Mr Stuart Mason, also a road haulier. Mr Calvert got Mr Mason to agree to pay him a fee of £1,000 a month to put Mason Brothers, a small family firm, into liquidation.

In March 1980 the company went into members' voluntary liquidation with an estimated surplus of £78,000 after all known debts had been discharged. Fifteen months later, creditors were told by Mr Calvert the company had a deficit of £16,000. No mention was made of the £94,000 discrepancy. Motor vehicles originally expected to realise £155,273 had been written down to £17,750 "as a direct result of the recession," according to Mr Calvert.

"I've not had much dealings with Calvert since July 1980" said Mr Mason. He reckons that some £150,000 of the company's money is unaccounted for, the equivalent of several months' trading plus debts collected.

Mr Mason and the Harpers have gone into business again but both are bitter about their brush with Mr Calvert. Mr Mason said: "When I first met him, he seemed as right as ninepence" but now: "I'd be quite prepared to pull the trigger if someone stuck him up against a wall."

These are just two of Mr Calvert's many clients. The Sheffield Fraud Squad reckons he handled about 22 liquidations between 1979 and this summer. They have a hefty dossier on him. The Department of Trade is completing a report, which will be published, on Mr Calvert's Sheffield company, Corporate Planning Management.

Mr Calvert, who is in his middle 30s, is a former taxi driver and discharged bankrupt. He learnt the tricks of the liquidation trade when he worked at Chancery Lane Registrars, a London company run by Mr Maurice Caplan. Chancery Lane Registrars is now the subject of a Department of Trade investigation.

Strangely enough, P. S. Sweetman (Building Services) through its liquidator, Mr Maurice Caplan, is seeking to wind up Corporate Planning Management. The company says it is owed £1,550 by Corporate Planning Management. The case has been adjourned until January 18.

Few industries offer such easy pickings for the unscrupulous as the insolvency business. No formal qualifications are needed to be a liquidator. Only bankrupts and those who have been disqualified as directors of companies are barred. Nor is there any problem in finding customers. With about 160 companies going to the wall each week, this is a growth industry.

Most liquidators are qualified accountants who do their job according to the book. But there are a handful of less scrupulous operators who are going round the country preying on small family firms in financial difficulty.

These rogue liquidators are having a field day. They can set their own fee level under the Company (Winding-up) Rules M49. This merely states that these should be "reasonable" and few of their clients are in a position to argue. (The Department of Trade does have power to apply to a court to fix the remuneration if it is thought the fees are unnecessarily large.)

What is more, once they have been appointed liquidator of a company by its directors' they have a free hand in running the business, disposing of its assets and collecting its debts. The liquidator becomes a one-man board.

They are not required, to report to creditors for 12 months. Unless a creditor catches on to what is happening and seeks a winding-up order, there is no one to obstruct the liquidator's course.

The method adopted is all too simple. The would-be liquidator scrutinises publications such as Stubbs Gazette, where court judgments are reported.

Having caught the first whiff of trouble, the aspiring liquidator either approaches the company cold or sends out a letter.

Small family firms without access to financial advice are usually chosen. The term liquidation is rarely mentioned at the first meeting. Instead, the directors are offered a 12-month holiday from the demands of their creditors.

How can this be achieved? Well, the rogue liquidator explains, it is very easy. The company is placed in voluntary liquidation, the directors sign a declaration of solvency saying they can pay their debts within a year and leave the rest up to their friendly liquidator. He will take charge of their assets, collect their debts and pay off outstanding creditors.

Sometimes, the liquidator will ask for a fee up front, on other occasions a monthly sum is fixed in advance. In effect, liquidators are handed businesses on a plate.

A slightly new twist has been developed by Mr Jonathan Charles Howard Burgess, now the subject of investigation by the West Midlands Fraud Squad. Many of his clients were also in the transport industry.

His specialisation was bivedowns. The original company is put into liquidation, its assets are transferred to a new company which then trades in the same business. Mr Burgess runs the new company, which, so the theory goes, should be trading profitably within 12 months so the creditors of the old company can be paid off.

The reality tended to be somewhat different. Mr Reg Cooper, a leading member of the Road Haulage Association, whose company Coopers Road Services (1972) fell into Burgess's hands, will say only that the experience "has broken me and my wife."

Mr Cooper thought that, through a complex deal, Mr Burgess would inject £275,000 into the business and that he would be kept on as chairman of the newly-formed company, Coopers Road Services (Midlands). In the event, no such sum ever changed hands. Both companies are now in liquidation with the liquidators fighting over the remaining assets.

Mr Burgess is now thought to be in the London area. He started off in Wales a few years ago and gradually worked his way across the Midlands.

The bulk of the legislation on voluntary liquidations dates back to the 1908 Companies Act. Five years ago, amid growing concern, the Government appointed Sir Kenneth Cork, a partner in accountants Cork Gully, to investigate and produce a report on insolvency.

The final part of the Cork report is due at the end of next February. Even if the Government response is swift, it is unlikely that new legislation will be on the statute books before 1983. Some accountants now feel a delay of this length is unacceptable and immediate steps should be taken.

Mr Guy Parsons, a partner in Peat Marwick Mitchell, the largest accountancy firm in the country, said: "I think action should be taken very quickly without waiting for the Cork report.

"The most obvious solution," according to Mr Parsons, an active member of the 21-year-old Insolvency Practitioners Association," is to restrict liquidators to members of authorised professional bodies." This would leave the policing of individual members to these bodies.

Mr Bernard Phillips, vice-president of the IPA and a practising accountant, thinks only specially qualified people should be liquidators. "I firmly hold the view liquidators should be accountants and specialists." He would like to see a government approved list of liquidators as is the case in Australia and Canada.

Others feel less emphasis should be placed on who the liquidator is and more on providing safeguards to protect directors and creditors alike. Mr Gerry Weiss, a partner of Cork Gully, thinks "the quickest, simplest and most honest approach" is to have "compulsory bonding" and "for liquidators, like solicitors, to have compulsory professional indemnity insurance." This would protect creditors in the event of the assets realised not being correctly accounted for.

The idea of bonding appears to have the tacit support of the Department of Trade.

Another problem which needs to be overcome is relevant not only to cowboy liquidators, but all white collar crimes. At present the police have insufficient specialist squads to cope with the growing wave of financial misdemeanours. In addition, under the present jury system the police argue it is almost impossible to get a conviction as the burden of satisfying a jury of laymen is so difficult to discharge.

There are no signs of any let up in the stream of irregular liquidations. If anything it appears the publicity recently given to Calvert has alerted others to the rich pickings. As a result some healthy companies are being put into liquidation. Law-abiding citizens are being induced to sign documents that if false will leave them open to prosecution. Added financial burdens are being put on ailing companies' creditors, some of whom may buckle under the strain.

GOING OUT OF BUSINESS

A compulsory liquidation takes place when a creditor petitions the High Court to seek a winding-up order. The meeting of creditors nominates the liquidator but the appointment is made by the court. The liquidator is responsible to the court. Any funds realised during the liquidation are kept in a special bank account at the Bank of England.

A members' voluntary liquidation takes place when a company is solvent. The directors sign a declaration of solvency saying the company's debts can be paid within a year in full. This is sent to Companies House. The liquidator is then appointed by the shareholders and does not have to file a report or hold a creditors' meeting for one year. There is no committee of inspection chosen from creditors to monitor the liquidation.

A creditors' voluntary liquidation takes place when a company is insolvent and the directors choose to go into liquidation. A shareholders' meeting is held when a liquidator is appointed. A creditors' meeting follows, which gives creditors a chance to approve the shareholders' choice of liquidator or appoint their own. A committee of inspection is chosen consisting of about five major creditors. The committee's job is to check the progress of the liquidation.

Weekend Brief

Feminism Italian-style

The family Danieli: Cecilia, managing director, Annachiara, manager; Marina, manager; and Luigi, chairman

A WORKING day for Cecilia Danieli, aged 38, starts in her farmhouse at Buttrio, a village near Udine, northern Italy, much the same as for other Italian mothers and housewives. She tends her 12-month-old twins and breakfasts with her husband, a lawyer, and her 9-year-old son. Then she walks across the road in the direction of a modern factory employing 900 people and set in pleasant countryside.

The pace of her life changes as she enters the door of the Danieli company headquarters. She takes her seat behind an old desk—a family heirloom—in an open-plan office and starts another punishing day as managing director of a steel plant manufacturing group with an annual turnover of US$140m.

The day we met she had quick consultations with her father, Luigi Danieli, aged 66, now the company chairman and two other senior Danieli directors—her younger sisters Annachiara and Marina. Then she flew in the company aircraft to Florence for a financial meeting before going to Rome for an evening reception with a visiting delegation of Japanese industrialists. She would not be home to put the twins to bed that night.

Cecilia Danieli did not plan her career to run a company which is now selling steelworks to many countries in spite of the recession in steelmaking. She left home when 18 years old to travel for three years. She sold records in a music shop in the Kings Road, Chelsea and she worked on a farm in the U.S. Eventually she went back to Italy and to university.

But she was the eldest child of a remarkable and close-knit family. That was the force that eventually catapulted her into senior management.

Luigi Danieli (who is called with some reverence by the Italian steel industry "Engineer Danieli") has four daughters but no sons. Cecilia says: "With no brothers we were never tested as children by the problem of 'you are a woman'. We were brought up to do whatever had to be done."

The father and the four daughters have turned a small plant contracting business into a group handling international turnkey contracts for complete steelworks. It remained entirely a family affair, however, with Luigi in charge and eldest daughter Cecilia learning the business under his tuition until two years ago. Then the West German engineering company, Schloemann-Siemag, five times bigger than Danieli, decided it would like to be involved with the thrusting Italian engineers. Schloemann finally bought a 20 per cent stake in Danieli but agreed with the family not to take part in the management of the company. Cecilia Danieli says: "With the financial underpinning of Schloemann we have been able to move into a bigger business league while still remaining a family company.

A steel trade magazine described Danieli as "little David" when the company went to a Leipzig Trade Fair to seek bigger orders. But "David" beat the idustrial Goliaths to win the biggest contract the company had ever handled. It was a U.S.$240m deal to build a new steel mill for East Germany.

The policeman's lot can be a happy one

When constabularly duty's to be done, we know, the policeman's lot is not a happ one. *Pace* W. S. Gilbert, however, might it not have its compensations?

Mr Peter Nievens began his duty as a constable on the streets of Southwark in 1947. Tomorrow he retires from the force and his lot looks set to improve very substantially.

For Mr Neivens—Deputy Assistant Commissioner at New Scotland Yard and a newly-honoured OBE—has this week been revealed as Trident Television's secret weapon in its fight to retain the threatened licences of its Playboy casino interests.

No details have been given of his agreed contract to join Trident as an executive director of its casino division. But if his weight as a "Mr Clean" should prove sufficient with the courts to tip the scales in Trident's favour, Mr Neivens will be worth rather more than his physical weight in little pink chips (worth £100 each across the green baize cloth).

The sight, presumably, of Extra Large sized boots will help to distinguish Mr Neivens from uniformed predecessors in this role like Major-General Gingell at Ladbroke and Admiral Sir John Treacher at Playboy itself.

But the brevity of their two careers in gaming is a reminder that licensing magistrates and the gentlemen of the Gaming Board are not easily impressed. Just a suggestion of constabulary motion in Mr Neivens' knees and feet from time to time might not go amiss next year, when Trident will be looking to draw upon every air of authority the former Deputy Commissioner can summon.

Mr Neivens' slightly swaying policeman's stance was all but visible in his statements this week about past experience of the gaming sector. He has never been physically involved with it. "But on a need-to-know basis," he says, "one has been well aware of what's afoot."

Even this indirect degree of involvement, of course, could conceivably pose an obstacle to Mr Neivens' plans. Mr Tom McNally, MP, has already raised the issue of whether public interest is served by having a senior police officer step so smartly into so sensitive an appointment.

But Mr Neivens' experience seems far more likely to count in his favour in the end—and he is hardly treading new ground. Ex-police officers abound on both sides of the casino industry.

Former policewomen probably rpresent a limited number of bunny girls, it is true. But the majority of the Gaming Board's 37 inspectors are ex-policemen with ranks up to chief inspector—and at least as many former colleagues work for the casion companies.

Things have indeed come a long way since an intrepid inspector of the Metropolitan Police hung precariously onto a window grille outside a Hyde Park flat to spy on an illegal gambling party within. That led to a celebrated trial in 1958.

Years of police neglect followed in the 1960s, leaving control over the casinos more and more to underworld entrepreneurs with names like Matty ("The Horse") Ianiello. Today, organised crime is kept out by the police's own Organised Crime Squad—and the informal influence exerted over the clubs by the close ties between this special squad and the ranks of former policemen whom Mr Nelvens will shortly be joining.

Brisk new brooms in ITV

The winds of televisual change have produced more than just a sprinkling of new logos for our screens this New Year. Nineteen eighty-two sees a veritable army of new boys — or at least old boys in new seats. The Michael Grades, Lord Windleshams and Peter Cadburys of this world have left the stage, making way for the John Birts, James Gatwards, and Kevin Goldstein-Jacksons of the new régimes.

The three people who are likely to hit the headlines most often during the year are probably Jeremy Isaacs, chief executive of the Fourth Channel, Alasdair Milne, who is taking over as director-general of the BBC in the late summer, and Robert Phillis, the 35-year-old revitaliser of *TV Times*, who has recently taken the managing director's chair at Central TV (one-time ATV network).

Isaacs, with his co-new boy and organisation chief, former FT joint managing director Justin Dukes, has to make his promise flesh by the end of the year. The Channel Four top job was for a long time regarded as the peachiest number in television. It offers, after all, considerable freedom of action. But Isaacs has been facing a constant battering from critics who fear his formula for success, making the seat so far an anything but comfortable one.

Isaacs has a reputation for abrasive enthusiasm and in that he is matched by the BBC's Milne. If there is gossip to match predictions for the first month of the Fourth Channel it surrounds speculation about the relationship between Milne and the BBC chairman, George Howard.

In recent years the power centre of the Corporation has moved increasingly towards the director-general's office, but Howard has to some extent halted that drift. Since he, too, is only a year or so into the job, the development of the team is going to be fascinating to watch. With two such decisive characters in tandem there could well be a battle over the grasp of the handelbars.

Phillis comes to an old company with a new name and a large slice of new shareholding. Central is one of the five "network" companies, that is the franchise holders who are expected to provide the bulk of ITV's nationwide material. Phillis's youth and background inspire respect. His supervision of the *TV Times* revamp struck delight into the hearts of a commercial TV system which tends to view whizz-kids with a degree of cynicism.

More subtley intriguing is going to be the impact of John Birt on London Weekend Television. Birt takes over as programme head from Lew Grade's nephew Michael Grade, who has been wooed to the greener pastures of California to continue his show-bizz career. The fascination is that while Grade's *forte* has always been light entertainment, with sport as a good second, Birt's background is much more in the more serious end of the business, notably via his association with Weekend World.

As for Gatward of TVS and Goldstein-Jackson of Television South West, it is a matter of waiting and seeing. For them the rest is going to be whether their stations can come up with the broad base of local programming which the IBA, under its now 12-month-old new boy Lord Thomson of Monifieth, is keen to see.

Contributors
Roy Hodson
Duncan Campbell-Smith
Arthur Sandles

Economic Diary

TODAY: Restart of mackerel fishing off South-West England. Reduction in foreign exchange brokerage commission rates. Start of five-day visit by UK aerospace industry mission to Japan.

MONDAY: Launch of Government's Young Workers scheme.

TUESDAY: Bank of England issues provisional estimate of money supply for mid-December, and capital issues and redemptions (during the month of December). Treasury gives figures for UK official reserves for December. London clearing banks' monthly statement for mid-December. Herr Helmut Schmidt, West German Chancellor, meets President Ronald Reagan at the White House. All-out strike called at Ford Motor Company. Start of two-day meeting of "Trade unions for a Labour victory" group and the Labour Party leadership, Bishop's Stortfort. Trident TV shareholders vote on acquisition of the UK casino and betting shop interests of Playboy Enterprises. Exploratory planning inquiry into British Gas methane terminal on Canvey Island opens at The Paddocks, Long Road, Canvey Island.

WEDNESDAY: Department of Energy publishes advance energy statistics for November. Major economic debate at the National Economic Development Council to be addressed by Sir Geoffrey Howe, Chancellor of the Exchequer.

THURSDAY: Department of Industry issues provisional figures of vehicle production for December. The executive council of the Iron and Steel Trades Confederation meets to set a date for the start of a complete ban on overtime. Electricity supply industry workers lodge pay claim. Clearing bank union meets employers to discuss pay claim. London International Boat Show opens, Earls Court (to January 17). Package Holidays and Travel Exhibition opens, Bingley Hall, Birmingham (to January 10).

FRIDAY: Department of the Environment gives figures for housing starts and completions in November. Senor Leopoldo Calvo Sotelo, Spanish Prime Minister starts talks in London with Mrs Margaret Thatcher on Spain's application for EEC entry. Extraordinary meeting of Associated Communications Corporation to discuss compensation for former managing director Mr Jack Gill.

NEW LIFE BUSINESS

UKP reports patchy year

A PATCHY year for new life and pensions business is reported for 1981 by the United Kingdom Provident Institution. Annual premium business remained static at £16.5m, but single premiums were buoyant, advancing 70 per cent from £10.5m to £18m.

Life business was good last year, with new annual premiums up 22 per cent from £5.4m to £6.6m and single premiums more than doubling from £2.3m to £6m, much of this growth coming from the continued success of the company's Moneymax contract.

Annual premiums on pensions business dropped more than 10 per cent from £11.1m to £9.9m, with reduced group and executive pensions business. However, self-employed pensions annual premiums moved ahead by 15 per cent from £1.9m to £2.2m. Single premium pensions business improved nearly 50 per cent from £8.2m to £12m, with self-employed single premiums nearly doubling from £4.3m to £8.3m.

Record new business results for 1981 are reported by the Life Association of Scotland, thanks to the success of the business in the Republic of Ireland, where the new subsidiary Life Association (Ireland) was launched in February to take over the business in the Republic. New annual premiums from the UK and the Republic rose over 10 per cent from £5.4m to £6.06m and single premiums more than doubled from £6m to £12.15m.

Business in the UK was somewhat pedestrian with new annual premiums rising 7 per cent to £4.6m and single premiums by 17 per cent to £3.4m.

An excellent year for single premium business in the UK and Republic of Ireland is reported by Canada Life, were such business tripled in 1981 from £3.2m to £11.3m. Much of this growth came from the first year's trading of Canada Life of Ireland. Annual premium business was 50 per cent higher at £8.1m against £5.3m, with the new style individual pensions business for directors and senior executives accounting for £1.3m of the increase. Group pensions new premiums more than doubled on the year to £3.1m.

However, reduced new life business is reported by the Royal Liver Friendly Society, with annual premiums in the industrial branch falling nearly 6 per cent from £8.6m to £8.1m and by slightly more than 7 per cent from £2.8m to £2.6m in the ordinary branch.

Significant rises in bonus rates

SIGNIFICANT INCREASES in bonus rates for 1981 have been reported by several major life companies.

Royal Life, a member of the Royal Insurance Group, is paying an overall higher rate on its life and pension business. The compound bonus rate applicable to the sum assured and attaching bonuses is lifted 10p to £4.70 per cent, but the super bonus rate, applied to attaching bonuses only remains unchanged at £3.50.

This means that the bonus rate on the sum assured rises 10p to £4.70 per cent, and that for attaching bonuses also rises 10p to £8.20 per cent.

On ordinary pensions contracts, the compound rate rises 30p to £4.70 per cent of the basic benefit and attaching bonuses, but the super bonus rate is trimmed 20p to £4.30 per cent of attaching bonuses. Thus the bonus rate applied to the basic benefit increases by 30p to £5 per cent, but the rate applied to attaching bonuses increases by 10p to £9.30 per cent.

The total cost of these bonuses is around £70m, arising from the profits made by the life business of Royal.

The Commercial Union Assurance Company is also introducing an additional bonus system with higher bonuses paid on attaching bonuses as compared with that applied to the basic benefit.

For the three years ending December 31 1981, the basic rate applied to life policies is lifted 20p from the previous declaration to £5 per cent per annum compound, while an additional bonus of £1.50 per cent per annum will be paid on the bonuses previously declared.

On individual pension policies, including Pensionmaker and Retirementmaker, the basic bonus rate rises 30p to £7 per cent per annum of the basic benefit and attaching bonuses plus an additional £2.50 per cent per annum on attaching bonuses. The bonus rate for group pension schemes is improved from 2.5 to 2.75 per cent calculated on pensions purchased.

Substantially higher bonus rates have been declared by the Sun Life Assurance Society both reversionary and terminal. On ordinary whole life and endowment assurances, the reversionary rate is increased by 25p to £4.75 per cent of the sum assured and attaching bonuses and the terminal from 12.5 to 20 per cent of attaching bonuses.

On the Society's flexible endowment—Ten Plus Plans—the reversionary bonus rate applicable to the sum assured is improved by 30p to £4.30 per cent, while the rate applied to attaching bonuses remains unchanged at £5 per cent. A terminal bonus is to be paid for the first time of 7.5 per cent of attaching bonuses, but at present this will only apply to death claims, since this series has not been available long enough for there to be any maturities in 1982.

The company has confirmed the 25p increase to £5.25 per cent compound on its self-employed and executive pension contracts, which was made in October last year. The terminal bonus rate rises from 10 to 25 per cent of attaching bonuses. Higher rates have been declared for group pension contracts.

The reversionary bonus rates for the simple bonus series, not available to new policyholders, remain at £5.25 per cent of the sum assured for whole life contracts and 4.75 per cent for endowments. But the company is paying a special reversionary bonus of 10 per cent of attaching bonuses and higher terminal.

Guardian Royal Exchange Assurance is lifting its bonus rates on individual life assurances by 50p to £6.75 per cent of the sum assured for whole life contracts and to £6.50 per cent simple for endowments. In addition a special bonus of 10 per cent of attaching bonuses has been declared.

The terminal bonus on death of claims or maturities during 1982 will be 25 per cent of attaching bonuses. Other UK individual and group life and pension contracts will receive bonus rates consistent with those for the above contracts.

The Equitable Life Assurance Society is increasing the reversionary bonus rate on all its pension contracts, including voluntary contribution plans by 50p to £8.50 per cent of the guaranteed retirement benefit and previous bonuses.

RECEIVERS NAMED

Mr A. J. Richmond and Mr J. G. Ridings, who are partners respectively in the Leeds and Bradford offices of chartered accountants, Peat, Marwick, Mitchell and Company, have been appointed joint receivers and managers of Modular Audit Systems and Modular Business Systems by Yorkshire Bank.

F.C. FINANCE

Although interest charges were down from £4.74m to £3.68m, pre-tax losses of FC Finance, instalment financing, increased from £440,000 to £449,000 in the half year to June 30 1981. Turnover of this subsidiary of Co-operative Bank improved from £32.69m to £35.12m.

There were tax credits of £11,000 (same). The loss per 25p share was 6.8p (6.7p).

The company's name is being changed to First Co-operative Finance. It does not propose to re-register as a public limited company.

ICL RIGHTS

At an extraordinary meeting of ICL on December 31, 1981, the resolution to increase the company's authorised capital for the one-for-one rights issue was passed.

BASE LENDING RATES

A.B.N. Bank	14½%	Robert Fraser	15 %
Allied Irish Bank	14½%	Grindlays Bank	‡14½%
American Express Bk.	14½%	■ Guinness Mahon	14½%
Amro Bank	14½%	■ Hambros Bank	14½%
Henry Ansbacher	14½%	Heritable & Gen. Trust	14½%
Arbuthnot Latham	14½%	■ Hill Samuel	§14½%
Associates Cap. Corp.	15 %	C. Hoare & Co.	† 14½%
Banco de Bilbao	14½%	Hongkong & Shanghai	14½%
BCCI	14½%	Knowsley & Co. Ltd.	15 %
Bank Hapoalim BM	14½%	Lloyds Bank	14½%
Bank of Cyprus	14½%	Mallinhall Limited	14½%
Bank Street Sec. Ltd.	16 %	Edward Manson & Co.	15½%
Bank of N.S.W.	14½%	Midland Bank	14½%
Banque Belge Ltd.	14½%	■ Samuel Montagu	14½%
Banque du Rhone et de la Tamise S.A.	15 %	■ Morgan Grenfell	14½%
Barclays Bank	14½%	National Westminster	14½%
■ Beneficial Trust Ltd.	15½%	Norwich General Trust	14½%
Bremar Holdings Ltd.	15½%	P. S. Refson & Co.	14½%
Bristol & West Invest.	16 %	Roxburghe Guarantee	15 %
Brit. Bank of Mid. East	14½%	E. S. Schwab	14½%
■ Brown Shipley	15 %	Slavenburg's Bank	14½%
Canada Perm't Trust	15 %	Standard Chartered	‖14½%
Cavendish G'ty T'st Ltd.	15½%	Trade Dev. Bank	14½%
Cayzer Ltd.	15 %	Trustee Savings Bank	14½%
Cedar Holdings	15 %	TCB Ltd.	14½%
■ Charterhouse Japhet	15 %	United Bank of Kuwait	14½%
Choulartons	15 %	Whiteaway Laidlaw	15 %
Citibank Savings	¶15 %	Williams & Glyn's	14½%
Clydesdale Bank	14½%	Wintrust Secs. Ltd.	14½%
C. E. Coates	15 %	Yorkshire Bank	14½%
Consolidated Credits	14½%		
Co-operative Bank	*14½%		
Corinthian Secs.	14½%		
The Cyprus Popular Bk.	14½%		
Duncan Lawrie	14½%		
Eagil Trust	14½%		
E.T. Trust	15 %		
First Nat. Fin. Corp.	17 %		
First Nat. Secs. Ltd.	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 12.50%, 1-month 12.75%. Short term £8,000/12 months 15.10%.
† 7-day deposits on sums of £10,000 and under 12½%, up to £50,000 13% and over £50,000 13½%.
‡ Call deposits £1,000 and over 12½%.
§ Demand deposits 12½%.
‖ 21-day deposits over £1,000 13½%.
¶ Mortgage base rate.

BIDS AND DEALS

Few complaints at Kintyre

BY TERRY GARRETT

FEW SHAREHOLDERS in Kintyre Tea Estates bothered to struggle into the City on New Year's Eve to attend their company's extraordinary meeting. Even if they had they would have made little difference to British Rail's holiday takings—there is little more than a dozen of them all told. Anyway, the result of the meeting was a foregone conclusion, with over half the equity already behind a plan to launch a £5m paper bid for a private travel company, Owners Abroad.

Existing Kintyre holders will end up with less than 1 per cent of the enlarged equity, but have few complaints. Since the plantation assets in Sri Lanka were nationalised in 1975, Kintyre has been a shell with very limited cash. Winding-up the company could have produced around 5p a share—before costs.

By allowing Owners Abroad to reverse into their company, Kintyre shareholders will have a small slice in a profitable company about to start trading on the Unlisted Securities Market. They will even start getting dividends again.

Kintyre is purchasing Owners Abroad and Owners Abroad (Wholesale) for £2.4m and £2.6m respectively. This will be covered by the issue of 10p shares to the vendors at par giving them 50m shares. The company will also place a further 1m shares through stockbrokers Le Mare, Martin at par to raise £100,000 and cover the costs of the acquisition—around £75,000. The vendors of Owners Abroad will place a tenth of their holdings—5m shares—raising £500,000 for themselves.

At the end of the day the vendors of Owners Abroad, the three directors and one senior manager, will hold 87.4 per cent of the equity of the enlarged company which is changing its name from Kintyre to Owners Abroad Group. A prospectus will be around the City next week and the shares should start trading on the USM on January 11.

Owners Abroad has two main sides to its business.

The wholesale operation is described as "one of the largest air-broking and flight consolidation companies in holiday travel from the UK and specialises in the provision of long-term and short-term contracts to provide flight seats in bulk for tour operators."

Translated, that means Owners Abroad makes definite commitments with a number of airlines to book not just seats but whole planes for complete seasons.

Tour operators then turn to Owners Abroad to supply their package needs. Mainly it's aimed at the smaller and medium sized operators, but even the big names in the travel world, like Cook, use Owners' facilities on minor routes.

Owners uses a number of airlines, but two-thirds of its business is put through Davies and Newman (Dan Air).

The other side of the business is a straightforward travel agencies operation. In calendar 1981 the number of passengers put through the company's books was 310,000. Of these about 75,000 were booked through its own retail outlets.

Last March, Owners made its first major diversification. It paid £670,000 for a 100 ft yacht operating in the Mediterranean. The boat accounts for 70 per cent of the company's net assets of £837,688.

The connection between an air-broker and a luxury yacht may not be obvious but one of the three directors is a keen yachtsman. Mr Neill Scott, chairman and managing director, says that the boat is a good buy and next season will be let out at over $3,000 a day. Profits from the 80-day season could work out around £75,000.

One of the reasons Mr Scott puts forward for going public is to enable him to use paper for further diversification in the leisure field.

The group's profit record shows rapid growth though there was one hiccough in 1979. Pre-tax profits have risen from £37,189 in 1976 to £814,532 last year and the directors have warranted that profits for the 12 months just ended will not be less than £1.25m. These figures are before the bonuses they paid themselves—£268,500 last year. Obviously there will be no more bonuses now the company is going public.

If Owners Abroad had been quoted in 1981 the directors say that a 0.5p dividend would have been paid giving a 5 per cent yield on the 10p placing price.

The pro-forma balance sheet shows net worth of £5.2m taking in £4.1m of goodwill. There is still a revenue deficit (a hang-over from the Kintyre accounts), but it is under £100,000 and will soon be cleared allowing dividends later this year.

Austin Reed: 'no Gieves bid'

CLOTHING RETAILER Austin Reed has acquired a near 7 per cent stake in the Gieves Group, a mini conglomerate with a tailoring business dating back to 1785. The block of 405,000 shares came from Castlemere Properties, a private group, which acquired the stake in October 1980.

In the two days since the transfer Gieves' share price has risen almost 30 per cent to 35p. Austin Reed chairman Mr Barry Reed, discounts speculation of a take-over, regarding the stake as a long term investment bought cheaply. However he adds that "we do from time to time buy the odd private business."

On Thursday Mr Nutbrown, the managing director of Gieves, said as far as he was aware, Austin Reed and Gieves had not been involved in discussions prior to the deal.

The two companies know each other well. Gieves has long been a customer of Chester Barry, the high grade suit manufacturer, which Austin Reed acquired in July 1978. The Gieves group itself has a formidable pedigree, as befits a company with 1 Savile Row as an address (but the "G" is hard, not as in "Jeeves").

Gieves has long specialised in clothing navy officers, its most famous customer being Admiral Nelson. As well as tailoring for the rich, it provides heads of state with the sartorial trappings of power, with Haile Selassie and his court much-missed clients.

The early 1970s was a time of change and diversification for the company. It branched out into book binding, publishing and motor dealing. In 1974 the navy met up with the army when Gieves bought up Hawkes, erstwhile tailor to the Duke of Wellington. Gieves' aim was to update its establishment image, and in 1973 demonstrated this by taking a double page spread in the London Evening Standard featuring a girl without even a pair of epaulettes for clothing.

But the 1980s saw the policy of diversification being reversed. In January 1980 Gieves sold its most profitable subsidiary, James Burns Bindings in a complicated arrangement which involved Gieves' temporary voluntary liquidation and reappearance as the Gieves Group (1980).

Last year in an effort to reduce borrowings the company sold off the greater part of the assets of Mamos, its motor dealing subsidiary, and closed down Bookmark (party plan booksellers). It also sold its Esher freehold industrial site for £2.5m.

Gieves most recent annual figures (to January 31 1980) showed that only the tailoring division was making a trading profit. Gieves' old client Nelson, would have been relieved, but Austin Reed has not turned a blind eye.

Charterhall revamps its Australian subsidiary

Charterhall, the natural resources investment holding company, is to seek shareholders' approval in January to dispose of 62 per cent of Charterhall Resources Australia, a subsidiary which will become the holding comany for all of the group's Australian interests.

The shares will be offered for sale to existing Charterhall shareholders—who will receive preference for up to 50 per cent of them—and to the Australian public.

In view of the Australian Government's desire to encourage greater domestic participation in the development of the country's natural resources, Charterhall believes this will increase the opportunities for its subsidiary to pursue new projects in Australia.

Assuming the proposals are approved at an EGM, arrangements will be made for the new holding company to be listed on the London and Australian Associated Stock Exchanges "as soon as stock market conditions in Australia are favourable."

The group anticipates that the proceeds of the share sale will be about A$10m (£6m), which will also help provide additional funds for Charterhall's activities in Australia.

Approach to New Sylhet

Shares of New Sylhet Holdings, the tea grower and manufacturer, rose 20p to 195p on New Year's Eve following an announcement by the company that it has received an approach which may result in offers being made for the ordinary and preference share capital of the company.

On the stock market New Sylhet is valued at £374,400.

The group advised shareholders to take no action with regard to their holdings until they receive further advice from the board.

Berec says 'accept Hanson offer now'

Mr C. G. Stapleton, chairman of Berec Group, says in a letter to ordinary and preference shareholders, that the board recommends all holders to accept the Hanson Trust offers without further delay.

Hanson has informed Berec that at December 30 Hanson owned or had received acceptances in respect of about 56 per cent of the ordinary and 44 per cent of the preference shares. As known, the Hanson offer is unconditional.

Mr A. G. L. Alexander, an executive director of Hanson responsible for a major part of Hanson's UK industrial interests, is being appointed chairman of Berec.

SANGERS GROUP

A large shareholding has been acquired in Sangers Group, the loss-making pharmaceutical and photographic concern, by an individual shareholder. Mr C. Morris, on December 23 acquired 563,186 ordinary eshares which represents 5.95 per cent of the equity.

For the half-year to August 1981, Sangers reported a pre-tax loss of £1.03m compared with a profit of £463,000 in the first-half a year earlier.

CENTRAL INDEP. TV

Central Independent Television has announced that Associated Communications Corporation has subscribed the balance of £12.7m payable for its shares under the offer dated December 1 1981. Accordingly, the allotment of shares to other subscribers is now unconditional.

RIT/ESPERANZA

RIT has announced that the offer by Stretford Holdings BV to acquire all the shares of Esperanza has lapsed and is therefore no longer open for acceptance. Acceptances were received in respect of 97,824 Esperanza shares of 12½p each (0.8 per cent). Prior to the offer period the RIT Group and persons acting in concert with RIT held 4,602,370 Esperanza shares of 12½p each (39 per cent).

ROSEHAUGH OPTION

The board of Rosehaugh, the property company in which Mr Godfrey Bradman, the group chairman, holds 25.7 per cent, has exercised an option to acquire from McLeod Russel and its associate Broadland Properties a total of 2.7m ordinary shares (representing 21.4 per cent) in London Shop Property Trust. The consideration for the deal is £2.07m in cash and 398,467 Rosehaugh ordinary shares.

NO PROBE

The proposed acquisition by Stemash of Coventry Climax is not to be referred to the Monopolies and Mergers Commission.

SPAIN

December 30	Price %	+ or −
Banco Bilbao	335	
Banco Central	335	
Banco Exterior	303	
Banco Hispano	325	
Banco Ind. Cat.	115	
Banco Santander	347	
Banco Urquijo	214	
Banco Vizcaya	355	
Banco Zaragoza	220	+4
Dragados	124	+6
Espanola Zinc	60	
Fecsa	64.7	+0.2
Gal. Preciados	43	+1
Hidrola	76.5	+2.5
Iberduero	58	+1
Petroleos	89.5	+2.5
Petroliber	101	
Sogefisa	40	
Telefonica	73	
Union Elect.	72	+1

1981-82 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
118	100	ABI Hldgs. 10pc CULS	118	+1	10.0	8.5	—	—
75	62	Airsprung	68	+1	4.7	6.9	11.0	15.2
51	33	Armitage & Rhodes	45	—	4.3	9.6	3.8	8.5
200	187	Bardon Hill	200	+1	9.7	4.9	9.7	11.8
104	86	Deborah Services	86	−1	5.5	6.4	4.3	8.1
126	97	Frank Horsell	126	+1	6.4	5.1	11.4	23.3
68	39	Frederick Parker	68	+1	1.7	2.5	29.6	—
78	46	George Blair	48	+1	—	—	—	—
102	93	IPC	97xd	−2	7.3	7.5	7.0	10.5
113	95	Jackson Group	98	+1	7.0	7.1	3.1	7.0
130	108	James Burrough	113	−1	8.7	7.7	8.2	10.4
334	258	Robert Jenkins	280	+2	31.3	12.0	3.8	9.2
59	51	Scruttons "A"	55	+1	5.3	9.6	8.5	7.9
222	167	Torday & Carlisle	167	—	10.7	6.4	5.4	9.9
15	10	Twinlock Ord.	13½	+½	—	—	—	—
80	66	Twinlock 15pc ULS	74	+1	15.0	20.3	—	—
44	29	Unilock Holdings	29xd	—	3.0	10.3	5.2	8.8
103	77	Walter Alexander	77	—	6.4	8.3	5.1	9.0
263	212	W. S. Yeates	214	—	13.1	6.1	4.1	8.2

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WEEK'S SUMMARY

Take-over bids and mergers

Colas Products, a subsidiary of Shell UK, made an agreed 85p per share offer for George M. Callender, manufacturer of bitumen-based damp-proof courses and sheeting, valuing the latter at £5.78m.

On Monday, Grant Brothers, the Croydon store group, accepted a 190p per share bid worth £2.3m from Jadepoint, a private company.

Hard on the heels of the Christmas Eve announcement of a series of engineering disposals, Sears Holdings, the diversified retailing group, announced a deal to sell its U.S. industrial laundry business to Initial Services for £11.6m.

MEPC, the property development and investment group, paid $46m for a 24-acre office park in Denver, Colorado.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Bazaloni Hldgs.	700*	700	245	1.75	Closerule
Beaumont Props.	151	130	112	23.84	Lndn. Shop Prop.
Berec¶¶	154●§	148	94	87.49	Hanson Trust
Berec	150	148	116	100.14	Tilling (T.)
Berkeley Hambro	347	342	274	58.97	Town & City Prps.
Callender (G. M.)	85*	80	56	5.78	Colas Prods.
City Offices	135½	128	110	36.32	Greycoat Estates
Croda Int.	70*§	79	43½	62.8	Burmah Oil
Croda Dfd.	37*§	49	21	3.90	Burmah Oil
Elliott P'b'ro	42	41	42	5.53	Jenks & Cattell
Grant Bros.	190*	182	179	2.28	Jadepoint
Heron Motor Grp.	28*§	31	23	3.56	Heron Corp.
Howden (Alex.)	152	133	142	138.25	Alexander and Alexander Srvs.
Laganvale Ests.	33½	28	29	4.90	Sturla Hldgs.
Mothercare	175	160	168††	112.84	Habitat
Pyramid (Pbshs.)	60*	57½	60††	1.20	Starwest Inv.
Wassall (J. W.)¶¶	29*	32	31	0.31	Benson Shoe
Ward (T. W.)	186●	212	144	108.55	RTZ
Williams (W.)	25*‡	21	11††	0.85	Price (C.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on December 31 1981. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ● Loan stock alternative.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Arlen Electrical	June	691L	(332)	0.4	(4.7)	1.0	(3.0)
Deanson Hldgs.	Sept	375L	(251)	—	(8.3)	1.0	(2.8)
Reliant Motor	Sept	1,050L	(237)	—	(1.5)	—	(—)
Nash (J. F.)	Sept	624	(331)	11.3	(4.5)	4.0	(6.5)
Vectis Stone	Sept	873	(815)	7.9	(4.2)	1.8	(1.8)
Watson & Philip	Oct	755	(504)	8.9	(17.2)	3.3	(3.0)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
ACC	Sept	8,130L	(3,040)	—	(1.5)
Armour Trust	Oct	50	(5)	—	(—)
Celestion Inds.	Oct	897L	(1,160)L	—	(—)
Cook (William)	Sept	132	(182)	0.3	(0.3)
Group Lotus Car	June	28	(314)	—	(—)
Harris (Philip)	Sept	240	(274)	1.45	(1.45)
Horsell (Frank)	Sept	706	(160)	1.5	(1.0)
Melody Mills	Sept	687L	(543)L	—	(—)
New Crt. Resrcs.	Sept	344	(437)	—	(—)
Norton (W. E.)	Sept	222L	(392)L	—	(—)
Rotaprint	Sept	531L	(539)L	—	(—)
Wilkins & Mitchll.	July	887L	(488)L	—	(—)

(Figures in parentheses are for the corresponding period.)
* Dividends shown net except where otherwise stated. L Loss.

RESULTS AND ACCOUNTS IN BRIEF

GENERAL STOCKHOLDERS INVESTMENT TRUST (subsidiary of Stockholders Investment Trust)—Results for year to October 31 1981 reported November 19. Investments £15.76m (£17.76m) of which £15.18m (£17.33m) listed. Net current assets £1.04m (£0.38m liabilities) including £0.7m (£0.04m) cash and deposits. Shareholders' funds £16.49m (£17.08m). Liquidity increase £1.44m (£1.15m decrease). Meeting, Winchester House, EC, January 13, 10.45 am.

BEAUMONT PROPERTIES—Results for September 30 1981 year reported October 2. Shareholders' funds £27.35m (£21.44m), current assets £695,000 (£650,000), current liabilities £3.6m (£2.63m), properties £39.05m (32.69m), decrease in net liquid funds £799,000 (£149,000). Meeting, 100 Old Broad Street, EC, January 13, noon.

M. J. GLEESON (CONTRACTORS)—Results for year ended June 30 1981 reported November 20. Shareholders' funds £18.93m (£18.12m), net current assets £843,000 (£932,000), decrease in working capital £48,000 (£1.67m). Meeting, London Road, North Cheam, January 26, noon.

KILLINGHALL (RUBBER) DEVELOPMENT SYNDICATE—Results for the year ended June 30 1981 reported November 27. Shareholders' funds £323,571 (£309,466), net current assets £77,947 (£156,052), increase in net liquid funds £51,454 (£134,034). Auditors refer to notice under Malaysian Land Acquisition Act whereby the Selangor State Government could acquire 389 acres of company's 958 acreage for mining. The auditors say if this was implemented it could affect the company's ability to continue present business. Meeting, 1 Great Tower Street, EC, January 14, noon.

JOHN CARR (DONCASTER) (timber importer and merchant)—Results for year to September 30 1981 reported December 1. Fixed assets £9.87m (£9.48m). Net current assets £9.86m (£8.25m). Assets per share 60.15p (adjusted 55.5p). Meting, Doncaster, January 12, 11 am.

WOLVERHAMPTON AND DUDLEY BREWERIES—Results for year to September 30 1981 and prospects reported December 9. Shareholders' funds £42.86m (£38.99m). Fixed asets £48.7m (£43.39m). Investments £2.88m (£3.68m). Net curent liabilites £5.04m (£5.56m). Net liquid funds increase £1m (£0.98m). Meeting, Dudley, January 20, noon.

STOCKHOLDERS INVESTMENT TRUST—Results for year to October 31 1981 reported November 20. Investments £80.55m (£85.57m) of which £76.41m (£83.44m) listed. Net current assets £4.19m (£2.07m liabilities) including £3.67m (£0.08m) cash and deposits. Shareholders' funds £75.5m (£73.4m). Liquidity increase £6.12m (£4.41m decrease). The company intends to reduce disparity between interim and final dividends and hopes to pay interim of 1.75p (1.25p) this year. Meeting, Winchester House, EC, January 20, 3 pm.

SILVERTHORNE GROUP (metal finishing and consumer goods)—Results for year to September 27 1981 already known. Fixed assets £1.03m (£1.09m); bank overdrafts £36,000 (£235,000); net current assets £1.03m (£843,00); shareholders' funds £2.44m (£2.23m); increase in working capital £403,000 (£290,000). Company is a subsidiary of Unochrome Industries.

Meeting: Cheltenham, January 15, noon.

CASTLEFIELD (KLANG) RUBBER ESTATE—Results for year to June 30 1981 reported November 27. Shareholders' funds £4.29m (£3.61m); short-term deposits £1.16m (£302,747); sale of Castlefield estate £455,370 (nil); net current assets £163,914 (£254,282); increase in net liquid funds £844,677 (decrease £603,155). Ultimate holding company is Harrisons and Crosfield. Meeting: Great Tower Street, London EC on January 14, 11 am.

EVANS AND OWEN (fashion boutique operator)—Turnover half year to September 30 £1,342,503 (£1,243,941). Profit £39,017 (£34,309). No tax (same). Extraordinary credit £33,000 (nil). Earnings 8.1p (7p) per share.

CARR'S MILLING INDUSTRIES (miller and animal fedstuffs)—Results for year to August 29, 1981, reported on December 16. Shareholders' funds £6.21m (£5.87m); fixed assets £4.92m (£5.07m); net current assets £1.57m (£1.11m). Meeting, Carlisle, January 15, 1982, 11.30 am.

SIR JOSEPH CAUSTON AND SONS (printer and stationer)—Results for the year to September 30, 1981, reported December 4. Shareholders' funds £5.55m (£5.03m). Fixed assets £3.58m (£3.28m); net curent assets £1.57m (£1.34m). Decrease in working capital £558,000 (£464,000 increase). Decrease in bank overdrafts, less cash balances £792,000 (£257,000 increase). Meeting: Causton House, Hopton Street, SE, January 28, 11.30 am.

LEEDS AND DISTRICT DYERS AND FINISHERS (processor of textiles and sale of yarns)—Results for year to September 30 1981 already known. Shareholders' funds £5.57m (£5.2m): fixed assets £5.06m (£5.28m): net current assets £2.06m (£1.46m); increase in working capital £302,199 (£49,535 decrease). Meeting, Leeds, January 19, at noon.

HAWKINS AND TIPSON (rope, wire and leisure products)—Results for year to August 31 1981 reported December 11. Group shareholders' funds £7.84m (£8.2m). Fixed assets £6.14m (£6.58m). Net current assets £2.91m (£3.52m). Increase in net liquid funds £884,000 (£923,000). Meeting, Chartered Acountants' Hall, EC, January 14, 2.30 pm.

BEN WILLIAMS AND COMPANY (wholesale clothing)—Preference dividend for the six months to December 31 1981 delayed. Pre-tax loss for the half year to June 30 1981, £27,910 (£16,959) after interest £29,336 (£47,687). Tax £450 (same), leaving attributable loss at £28,360 (£17,409). Turnover £873,505 (£1.1m). No ordinary interim dividend (same).

STAVERT ZIGOMALA AND COMPANY (HOLDINGS) (furniture wholesaler and investment company). Pre-tax profit for half-year to September 30, 1981, £16,181 (£17,081); tax £4,983 (£5,511). Board expects to maintain the dividend (6.3p) but the recession in the furniture trade continues to cause concern.

LONDON AND ASSOCIATED INVESTMENT TRUST—For six months ended June 30 1981: pre-tax profits £78,000 (£229,000), including £47,000 (£136,000) associates and after interest £26,000 (£73,000). Tax £36,000 (£139,000). Earnings per share 0.28p (0.58p). Directors say results for full year should be satisfactory.

Results due next week

ON THURSDAY the purest TV rental company, the Electronic Rentals Group, produces its interim results. The general expectation is for about £9m pre-tax, heading for £19m in the full year. While this represents an improvement of more than a quarter on last year, the trading performance in the UK rental operation is likely to have proved flat. However, there will be a lower interest charge, some overseas acquisitions will be making a contribution and there will be benefits from the rationalisation of the camping and leisure interests. The group is now beginning to pull back some of its lost market share in video, but this business is unlikely to have a measurable impact on profits until 1983. Meanwhile, with net debt still likely to be well over shareholders' funds and the video boom to finance, there is a chance of a rights issue at some stage—although Dutch Philips, which holds a third of the shares, would presumably not be too enthusiastic about such a move.

John Waddington dropped "Bombshell" in November when it stopped producing that game which had been a strong runner for the bad taste of the year award—but its interim figures next Thursday should not produce any fall out. Packaging and printing now represents about two-thirds of the business, the rest being games of which electronics form a part. First half losses a year ago were largely to do with its ill-fated Videomaster television games, an activity which has since been cut back to minimal proportions.

McCorquodale's half-year profits slipped by 13 per cent, following the impact of recession on its packaging, general printing and engineering activities. However, its cheque printing business has continued to perform satisfactorily, and the second half should look better in comparison with a period that was hit by strikes a year ago. The group has forecast that its profits for the year, due to be published on Wednesday, should be close to the outcome for 1979-80.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Birmingham Pallet Group	Thursday	1.0	1.5	—
Hickson and Welch (Holdings)	Thursday	2.5	5.0	2.5
Kitchen (Robert) Taylor	Thursday	3.0	7.0	3.0
Lowe (Robert H.)	Friday	0.665	2.057	0.665
McCorquodale	Wednesday	2.64	5.25	2.75
Pleasurama	Tuesday	2.0	4.5	2.5
Winterbottom Energy Trust	Tuesday	0.7	1.3	0.2
INTERIM DIVIDENDS				
Black (Peter) Holdings	Thursday	1.54	3.0	
Brown and Tawse	Wednesday	1.4	5.0	
Electronic Rentals Group	Thursday	1.1667	3.143	
Helma	Tuesday	0.468	0.75	
London Investment Trust	Monday	0.35	0.525	
Technology Investment Trust	Wednesday	1.6	2.7	
Waddington (John)	Thursday	2.5	3.5	
INTERIM FIGURES				
Hollas Bros. and E.S.A.	Thursday			
Investment Company	Monday			
Quest Automation	Wednesday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue.

Ataturk's anguish

BY DAVID TONGE

Ataturk: Founder of a Modern State
essays by various hands edited by Ali Kazancigil and Ergun Ozbudun. C. Hurst, £8.50. 243 pages

A leader who can modernise a fundamentalist Islamic society, steer successfully between East and West, and ensure his nation survives in a world of recession—many third world countries dream nightly of such a paragon of contemporary virtue. Yet, they largely looked the other way during the recent centenary of the birth of one man with a set of answers to these problems, Kemal Ataturk.

This collection of essays from Unesco plus the odd newspaper article and prize—thus has Kemal Ataturk been remembered outside his country. True, in Turkey itself, he has been ceaselessly fêted, intoned and invoked by a régime anxious to legitimise its seizure of power. But his achievement deserves a richer memorial.

It is, after all, unusual for a soldier to sheathe his sword, let alone rekindle national pride by peace rather than war. Yet Ataturk's reputation rests more on what he did as a statesman than as a general. He saw winning a bruising war of independence in 1922 as only the first step necessary to stop the centuries-long decline of his country, the Ottoman Empire. He united its remaining peoples round the alien concept of a nation. By the time he died in 1938, a mere 57 years old, he had buried the despotic past. His tragedy is that his heirs have done so little to continue the modernisation he started.

The 10 essays in this useful book skate over a few sensitive areas—the degeneration of his legacy, the excessive repression sometimes carried out in his name, and, more relevant to appreciating him, his ruthless treatment of opposition, his short shrift for the Kurds and his failure to tackle the problem of the Turkish countryside.

The essays portray his achievements with little hagiography. In the field of reforms his major moves are familiar—the declaration of the Republic, abolition of the Caliphate and religious courts, emancipation of women, introduction of Swiss civil law, and the Latin alphabet, and general adoption of positivism.

However, the authors set the scene well, and make clear why, for instance, Turkey has followed so different a course from her neighbour, Iran. This is not just because religious power was centralised by the Ottomans but because, as Mr Ali Kazancigil of Unesco shows in his contributions to this work Ataturk's victory was as much his as that of his class—the country's military-civil bureaucracy, anxious about the survival of the state, and basing its policies on a century-old local reformist impetus.

The essays also focus on two often neglected areas, Ataturk's foreign and economic policies. Today's leaders of Cuba, Vietnam, Angola and Nicaragua might well envy the way in which Ataturk signed treaties of friendship with the Soviet Union and yet kept the goodwill of the western countries whose invasion forces he had defeated and whose hold on his country he had loosened. He could well claim to be a founding father of the non-aligned movement; a point brought out in the essay of Mr Vladimir Darilov, of the Moscow Academy of Sciences. More important his policies ensured that Turkey stayed neutral and unscathed during the Second World War.

In economics too he rejected western prescriptions yet made sure that Turkey averaged a growth rate of 9 per cent throughout most of the 1930s depression, as Mr Korkot Boratar, associate professor at Ankara University, describes. Memories of the Ottoman debt and the subsequent capitulation to Europe caused him to distrust foreign credits. The destruction of Ottoman industry following the free trade agreement of the mid-19th century led him to espouse protectionism: "The powerful industrial countries are basically in agreement in subjecting agricultural countries to a permanent status as primary producers and in dominating their internal markets," his first five-year plan argued 50 years ago. Ataturk (as these authors show) coupled restrictive trade policies with an increased role for the state at home though also believed the state should stimulate local business.


Ataturk: elegant iron man of Turkey

For a time these policies worked well but blind continuation of them has shown their limitation. Turkey has entered the 1980s heavily in debt, obliged to follow western economic dictates, and possessing an obsolescent industrial structure.

In other fields "Kemalism" has worn well as an ideal, if less well in practice. In foreign policy it was Stalin who frightened Turkey's post war rulers out of their neutrality into the willing embrace of the West. At home reformism largely died with Ataturk, not least because it involved an urban élite imposing its will on a largely rural population, a policy scarcely compatible with recent attempts at majority rule.

Today's military régime is the second time the country's generals have overthrown parliament in Ataturk's name. Like him they are pragmatists and concerned for the survival of the state. But they have put aside his insistence on civilian rule, increase of the country's dependence on one power, the U.S., and perforce left behind his belief in an independent route to development. Perhaps the most crucial difference is that whereas Ataturk believed in continuing change, today's Kemalists—except in a few areas such as land reform—see Kemalism as a means of reinforcing the status quo.

It is questionable whether he would have approved of this; but the Generals have other concerns. They have to handle the wounds of civil strife, the pains of urbanisation and industrialisation, unemployment, and racial and religious tensions. Kemalism has some hints on these but today is, perhaps, more relevant abroad than at home. For it was designed to deal with such universal requirements as the need for peace to repair the ravages of war, for a stable state, for independence, and for modernisation to combat the humiliation inflicted by countries whose technology is still needed.

But the basic message of Kemalism is perhaps simply that a revolution must build continuously, on a country's own past. That Ataturk's heirs have failed should not obscure the example he provided.

Poetry year

BY MARTIN SEYMOUR-SMITH

Ten years ago C. H. Sisson was known only to a few. Now he is widely regarded, at least in England, as probably the best we have: a major poet, as well as the author of a masterpiece of fiction, "Christopher Homm." Those who still need to decide can do so from a useful new **Selected Poems** (Carcanet, paperback, £3.95, 104 pages). This draws on all his published work, and ends with the sequence many think his best: "Burrington Combe."

No poet can be wholly original. But Sisson is as original—as well as wide-ranging in his unobtrusive way—as any poet of his generation (he is in his late 60s). No poet since Edward Thomas has had so powerful a feeling both for England and its landscape, or expressed it so evocatively. As well, within his taut and almost austere poetry a religious drama of great significance is fought out: each difficulty finds its poem. "If we have reasons, they lie deep" one poem ends, memorably.

Sisson's restraint holds back strong pressure of feeling, and the sensitive reader will have no difficulty in responding. This must be the most important book of poetry of the year, and ought to send readers to "In The Trojan Ditch," his most substantial collection to date, and its two successors. The consensus must now be that he is the leading living English poet. The moral may be that he has never tried to be.

D. J. Enright's **Collected Poems** (Oxford, £10.00, 262 pages) contains some of the best light verse—but I do not mean this in any way pejoratively—of recent years. I am sorry that Enright seems to have included nothing from his first volume, published in Cairo, "Season Ticket." Although he seems to have eschewed the more personal poems in this book for cynical and wise anti-cultural commentary, I still think some of these worth preserving. But for an impolite and yet good-mannered critique of modern culture and its pretensions, you need go no further than this collection. His distaste for the personal poem is a loss to us, I think: but perhaps having published this, he will return to it.

Ronald Duncan's was once a well-known name, especially as the author of the verse play "**This Way to the Tomb**" ("Turn Left for the Cemetery Boys" James Agate commented). His poems have been less well known. Now he has collected them in **Collected Poems** (Quixote Press/Heinemann, £10.00 345 pages). They reflect a natural rebel of very wide culture and achievements, friend of many famous men (Eliot, Pound, Gandhi, among others). The experience and Duncan's response to it are, at the least, fascinating, and demonstrate a life of courage and originality; I found it disappointing that the poems themselves lacked linguistic energy, and so often resembled chopped-up prose — though cleverly chopped-up prose. Some of the epigraphs against reviewers and other enemies fail to come off: too petty—one wonders why he bothered. But I suspect other readers may differ: a worthwhile buy, and good value in these days.

At last we have Sylvia Plath's **Collected Poems** (Faber, £10.00, 351 pages), with a careful commentary by Ted Hughes. There will have to be, ultimately, a selection, for this volume is unfair to the author (even though it had to be issued): it is top-heavy with failures. Plath at her best was a powerful minor poet, who wrote her last famous poems in a state of depression tinged with a poetic and meaningful mania.

Bernard Spencer died at the age of 53 in Vienna: he became ill, and wandered off in a comatose state: he was found dead by a railway track. He was a very graceful minor poet, and


John Wain: new ways of feeling

it is not at all surprising that this new **Collected Poems** (Oxford, £8.50, 249 pages) should supersede one of the same title published by Alan Ross some years ago: this is more complete, and has been lovingly edited by Roger Bowen. Spencer (born 1909) had something his contemporaries lacked: an unpretentious elegance, the ability to produce, from time to time, a really feeling love poem (rare these days), and, in the poems written towards the end, the ability to sound a note of subtle and all too intelligible menace. This fine collection will ensure his survival.

Tony Harrison is one of the first men to put "Occupation Poet" in his passport. He is one, too. He is not afraid to express his emotions, but he is not sentimental. He has a heart, but he also has a formidable intellect to go with it. He deserves David Wright's accolade: "the white hope of English poetry." **Continuous** (Rex Collings, £3.95) keeps up the good work: Harrison does as he likes, guided by his own poetic conscience. Those who enjoy his National Theatre translations will find even better here.

Peter Redgrove is never uninteresting, even when he is missing rather than hitting. **The Apple Broadcast** (Routledge, paperback £3.00, 133 pages) is mixed, but exciting. It is extraordinary that this gifted poet, who lets language writhe about beneath his half-controlling fingers, and who revels in the mysteries of existence, and who has experienced so much pain with such good humour, should not be valued above some of his better known contemporaries. But time, perhaps even this volume, will put the balance right. For here we have intelligence and mystery: no fashionable turning to puerile violence; a care for nature rather than an exploitation of it. This belongs on the shelf of anyone who values good contemporary poetry.

Freda Downie, whose first volume was praised by Geoffrey Grigson (a quite unusual thing) has now published **Plainsong** (Secker and Warburg, £4.50, 60 pages). All one can say about these poems—but it is a lot—is that they are different: they have that quality of difference that only a woman can supply. "A real poet, by God!" said Grigson; I concur. The angle she presents to life—and her expression concise, witty, skilful—is entirely her own.

John Wain's **Poems 1949-1979** (Macmillan, £9.95, 182 pages) selects from all his previous volumes except "Feng," which is still in print. It begins with the newest poems, and ends with the first he wrote, which are, on the whole, his best (this is hardly unusual). But the first poem, a tribute to Robert Graves (though his name is not mentioned), is touching although too long (and perhaps marred by a few misconceptions). Like Redgrove, he is always interesting, though in an entirely different way: his language is perpetually threatening to falter, and there is little excitement in it—but he is always seeking new ways of feeling. To trace his course is naturally a privilege; it is at times a little dull, but never hard.

Peter Porter in the new **English Subtitles** (Oxford, paperback, £3.50, 56 pages), as ever, remains the quintessential "vers de société" poet. He performs his task well, ironically withholding the original in the interests of his audience. "The Need for Foreplay," however, settles an old question finally. There are many fine allusions to other poets such as Rilke, whom Porter may feel that some enthusiasts for his own poetry might find tiresome in the original. Porter's assimilation of European culture is complete and is well-reflected in these elegant although technically modest pieces.

Michael Hamburger's **Variations** (Carcanet, paperback, £2.95, 110 pages) displays a well-practised poet and translator in a more mature vein: there are two sequences, "Travelling" and "In Suffolk." Here Hamburger becomes more contemplative and meditative than of late—and there are some fine nature poems in the second part.

Finally, what is probably the most important translation of the year: Elaine Feinstein's versions of the Russian poet Marina Tsverayeva: **Selected Poems** (Oxford, paperback, £4.95, 108 pages). These are fine translations and give us our best view into any Russian poet. There are many notes. One could wish that Miss Feinstein would turn her attention to other Russians such as Hippius and even Akhmatova, who have not yet been so lovingly done.

Pulling strings

BY ANTHONY CURTIS

I Can See Your Lips Moving: The History and Art of Ventriloquism
by Valentine Vox. Kaye and Ward £12.50, 167 pages.

As a schoolboy I was fascinated by one of the small ads at the back of the Hotspur or was it the Gem? Anyway, it showed a laundry-basket with urgent cries of "Help!" ballooning out of it. A dazed crowd had gathered while at some distance stood a grinning schoolboy with his hands in his pockets. "Learn to throw your voice!" the text read. "Send away for secret device and full instructions." I did eventually send away, and received a tiny piece of tin-foil wrapped in some ill-printed directions; but I never mastered the art.

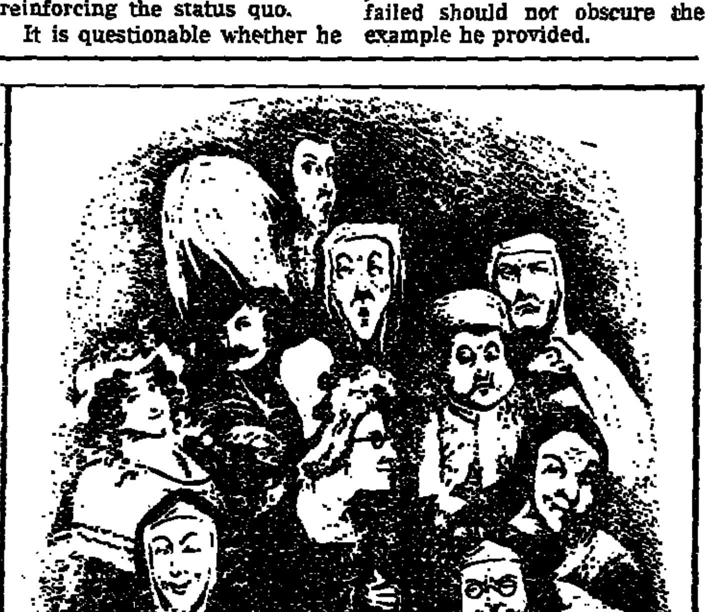
I now know from reading Valentine Vox's *I Can See Your Lips Moving: The History and Art of Ventriloquism* that you do not need a secret device for distant — (or near —) voice ventriloquism, that anyone can learn if he is prepared to practise long enough, talking with his tongue pressed up against his bottom teeth. I also learned from Mr Vox's interesting, well-researched book that this particular jape dates from at least as far back as 1820 when the celebrated French ventriloquist Vattermare, while playing a season at the Adelphi Theatre, caused a traffic jam in the Strand by making a distressed voice appear to come from a hay-cart.

Mr Vox traces the origins of ventriloquism as a form of entertainment a long way further back the centuries than Vattermare. In fact it emerges from magical practice in the ancient world and in biblical times with the Witch of Endor and others. The early Christian Fathers condemned the practice as the work of the Devil, and Reginald Scott in his *Discoverie of Witchcraft* (1584) devoted a whole chapter to it. Once the art had become secularised, it flourished as a popular diversion. The first novel devoted to a ventriloquist, clearly inspired by Vattermare, was Henry Cockton's *The Life and Adventures of Valentine Vox the Ventriloquist* (1840), a Victorian best-seller, from which our author, himself a practising vent, derives his name.

After Cockton, ventriloquism became a regular item on the bills of variety and music halls. Many of the early ventriloquists worked with a plurality of puppets: Fred Nieman had a whole minstrel troupe in blackface, while Carl Nobel featured three figures balancing on one another of which he was the man in the middle. It was only at the turn of the century with the emergence of Fred Russell and his Cockney puppet Joe that the pattern became fixed of a duologue between the po-faced artist and his cheeky, knee doll. Arthur Prince in naval officer's uniform with Jim, and Edgar Bergen in white tie and tails with the similarly attired Charlie McCarthy, the rage of America in the 1930s, were two of the most celebrated acts of their period. Curiously enough the advent of radio did not spell the death of ventriloquism, as was proved by the starry career of Peter Brough and *Educating Archie*. Television has provided further opportunities (see *Soap*, for instance) with the need for even greater discipline of technique as the camera zooms in to focus in close-up on the lips of the operator.

The annals of film contain a whole clutch of outstanding movies based on the career of a ventriloquist, who is always meant to depict some form of schizophrenia. There was the unforgettable sequence in *Dead of Night* with Michael Redgrave directed by Cavalcanti (the puppet used belong to Peter Brough's father); others include Erich Von Stroheim in Ben Hecht's *The Great Gabbo* and most recently Anthony Hopkins in William Goldman's *Magic*.

Even the religious origin of ventriloquism has survived into modern times. In 1948 an Anglican priest the Rev Philip Scofield worked a doll, Johnny, from the pulpit. He succeeded in filling his hitherto sparsely attended church and becoming the first of many "gospel-vents" who combine ventriloquism and homily.


Vattermare, the celebrated French ventriloquist, surrounded by his dummies—an illustration from the book reviewed today

Mr Vox's book contains illustrations of the performers discussed together with a final section on How To Do It. For readers in the London area his fine collection of ventriloquists' dummies and related material is on show at the Bethnal Green Museum of Childhood (Cambridge Heath Road, E2) and will remain there until February 2. It is well worth a visit.

Fiction

Twins in a terrible tangle

BY ISABEL QUIGLY

Gemini
by Michel Tournier. Translated by Anne Carter, Collins, £8.95. 452 pages

Sardines
by Nuruddin Farah. Allison and Busby, £7.95. 250 pages

The Day Daddy Died
by Alan Burns. Allison and Busby, £6.95. 138 pages

Michel Tournier is a pattern-maker and *Gemini* has patterns all over it, like a tiled wall with small shapes when you look closely and bigger forms when you stand back. The patterns in this case are of twinship. And so, everything being two-sided and reflective, the visual patterns are clear.

There are images of mirrors, photographs, interlocking pieces of puzzle, left- and right-handedness, matching pearls, mathematical and meteorological patterns, seasonal repetitions, mismatched temperaments that nonetheless slot into an obviously paired destiny, and finally the amputation of almost the whole of one side of a man's body—echoing an earlier such thing, in the war—to symbolise, presumably, his loss of twinship, his lack of the necessary reverse side of his nature.

Jean and Paul are twins at the end of a large family, so close, so unidentifiable singly that they are known as Jean-Paul. In childhood they communicate through an unknown tongue known to the family as Aeolian (for its musical, windy sound) and live a totally "matched" existence, lovers who are parts of the same body rather than a coupling pair. They live a prosperous provincial life with the family textile factory on one side of their house and a home for mentally retarded children on the other; worlds which flow into one another, enriching the already complex patterns of relationships and feeling.

Everything is related to the rest, everything symbolises something else, nothing is seen in isolation. Pairs, pairing and larger multiples of feeling and relationship are explored at all sorts of levels, obvious or suggestive.

In Paris and a wider world, Uncle Alexandre, dandy and dustman, is in charge of the disposal of rubbish in a number of large towns. This too is made to symbolise a great deal, often to powerful visual effect: the various sorts of rubbish (rich people's throw-outs being quite unlike the clinkers and peelings of the poor), the various ways of disposing of them, the underside of scavengers—daytime seagulls and nocturnal rats (who in the end catch and kill his beloved)—and Alexandre's view of the world of hetero-fascists, linked with the Occupation, the concentration camps, the state of a battered, soulless France.

When Tournier sticks to France, particularly the country parts of it — he is splendid on seascapes and a painterly use of the countryside — he seems to me to deserve the high praise given him by Genet and others, to follow worthily his Goncourt-winning *Erl King*.

What seems to me a mistake, both technical and psychological, is the mystical travelogue of the final part which takes the action all over the world — to Iceland and Japan, Venice and Berlin — and loses the density and close tactile as well as visual exactness of the French parts. Anne Carter's translation reads beautifully, with scarcely a hiccup of feeling or misunderstanding, and this, with a style as limpid as Tournier's, really matters.

Sardines is by a Somali writer now in exile from his country, about life in an African police state, and women's lives in an Islamic world in particular. The mother-in-law who not only has her way in the young household but plans the mutilation of her granddaughter (by circumcision at the age of eight) is classed with the General, dictator who rules by arbitrary decree and whim and torture.

Medina and her friends are half - Europeanised, having studied in Rome and come to know foreign ways. The fanatical at home resent and fear the lessons they have learned, social, sexual, personal. It takes great strength to carry on fighting, even in private matters, and Medina's husband lacks it. A weakling put upon by his mother and finally shaken into courage by his wife, he is the only important male character in a book full of strong women. Perhaps because Islamic ideas weigh heavily on women, the protest comes loudest from them, and makes its suffering points with most eloquence.

Nuruddin Farah has been praised for his style, his literary qualities. To me he seems of interest almost entirely from a documentary, even propagandist, point of view. He tells us about conditions of which we are ignorant, about states of mind very hard to envisage, about oppression in modern clothes, administered with a curious haphazardness: the outer oppression that can be described and reacted against, that of politics, and the inner familial repression that makes impossible personal demands, that may subject women to appalling suffering. But the book's literary qualities seem to me far less obvious.

Can things that matter be said in clichés, with words used at their poorest? I don't mean at their simplest; I mean at the level of the popular press or the radio interview, used without irony. Alan Burns's *The Day Daddy Died* tries to make its effect with what seems to me inadequate means. It is a very puzzling book.

Lib and let lib

BY VALERY McCONNELL

Now We Are Thirty
by Mary Ingham. Eyre Methuen, £8.50 (hardback), £3.95 (paperback). 224 pages

To marry, perhaps to conceive. That, it seems, is indeed the question. The pill may have postponed the problem for this post-war "breakthrough" generation of women — the first to benefit from free secondary education, the proliferation of universities, the sexual liberation and material affluence of the 1960s and the women's liberation movement of the 70s — but when the inevitable decision to become a family is made, the responsibility for the subsequent offspring is largely the woman's. Usually at the expense of her career.

This, Mary Ingham concludes, is the dilemma facing those women in their early 30s—her own contemporaries whom she sought out and questioned and whose descriptions of their lives form the basis of this book. The author has a gift for conveying how it felt to be a part of this generation and for anyone growing up in the last 30 or so years the book will accurately recapture the feel of haphazard living.

Yet her researches have proved that, despite this effervescent atmosphere, the majority of her friends still found jobs which they could safely abandon to have families, or under-achieved in the careers they chose — becoming bank clerks rather than bank managers. And while some found the ties of young children irksome, many others were quite content to stay at home, finding equal fulfilment there.

The problem lies in the guilt behind the phrase, "just a housewife" with which so many women in this book preface their comments. To stay at home to look after the children is to drop out of a society that women have just begun to participate in successfully. Mary Ingham is herself undecided and unwed. Uninitiated and not very interested in the mystique of child rearing. Therefore, although she mentions it, she does not give sufficient emphasis to the need for yet another sexual revolution—this one in the opposite direction. Men should be educated to achieve in the home what women have finally started to achieve outside of it. The next 30 years could see the breakthrough of family liberation.

Inside Iran

BY RICHARD JOHNS

The Return of the Ayatollah
by Mohamed Heikal. André Deutsch, £9.95. 217 pages

In deepest retrospect the West should, perhaps, rue the coup, engineered mainly by the U.S. Central Intelligence Agency but with the assistance also of the British Secret Service, which overthrew Dr Mohamed Mossadeq's Iranian régime in 1953. What seemed at the time to be a great triumph might be regarded as something of a catastrophe.

In effect, a time-bomb was laid with a 25-year fuse. The way was cleared for the exercise of almost unfettered autocracy by the Shah. Popular pressures were bottled up and the evolution of the country distorted, not the least through the policies of Westernisation and over-rapid, unbalanced economic development. Thus, the explosion—when it came with Ayatollah Khomeini's revolution—was a devastating one. And precisely because the break in continuity was so shattering the venerable man of religion now threatens to impose a mould on Iran paying as little respect to the aspirations and needs of his people as did the Shah's rule.

Mohamed Heikal is well qualified to survey the sad process. He covered for Al Akhbar al Yom of Cairo the crisis brought about by Mossadeq's nationalisation of the oil industry when at their first meeting he found the depressed young Mohamed Reza Pahlavi "embarrassingly shy and uncertain of himself."

Princess Ashraf, his twin sister, told Heikal how his authoritarian father Reza Shah had protested that nature made a mistake — she should have been the boy and he the girl. In fascinating contrast with his first encounter was a long interview, retailed in this book, with the "King of Kings" who by then was obsessed with his geopolitical role and was predicting a higher standard of living for Iran than the U.S. by the end of the century.

Nasser's former confidant and propagandist, Heikal has always been far more than the simple practitioner of journalistic arts than he pretends to be, as his current presence behind bars at the order of the late President Sadat might suggest. We learn here that he was instrumental in arranging the resumption of relations between Cairo and Tehran in the summer of 1970. He was in the process of arranging for Khomeini to be given refuge in Algeria in 1978, a move that was forestalled by the cleric's departure from Iraq to France. Heikal reveals that he made attempts, at the request of an unnamed American, to mediate the release of the U.S. diplomats held hostage in Tehran.

Heikal's status has given him privileged access to people and information. He was welcomed by Khomeini at Neuphle-le-Château and later in 1980 by the students holding the captives at the American Embassy. He was shown documents found after the revolution in the Shah's palaces and the headquarters of SAVAK.

Heikal gives a very readable account of the last months of the Shah's rule as bewilderment and then panic set in.

In September 1978, for instance, not completely convinced by the warnings of his wife Empress Farah, he sent his old valet to check on the extent of disaffection in the streets because there was no-one else he could trust. The old servant faithfully reported (according to Heikal):

"Your majesty, there are some people in the streets shouting, it is true, but they are obviously all communists who have been paid by somebody to demonstrate."

Entertaining anecdotes and occasional insights make up for Heikal's somewhat superficial interpretation and analysis. He indulges, sometimes one feels, in poetic licence. Less forgivable and rather infuriating in this context, his quotations are not sourced, an omission that probably is not of much concern to this inveterate and skilful story-teller.

Wall St narrowly higher

A VERY SHORT and anaemic year-end rally left stocks narrowly higher on Wall Street last Thursday.

The Dow Jones Industrial Average rose 1.90 to 875.00, for a net rise of 1.62 for the holiday shortened week. The closing "high" for the year was reached on April 27, when it hit 1,024.05, and the "low" for year was established on September 25 at 824.01.

The NYSE All Common Index added 21 cents at 71.11 unchanged on the week. Gains led losses by a three-to-two majority. Volume narrowed to 40.78m shares from 42.96m.

The market is surrounded by "an atmosphere of modest expectations." As a result, investors showed very little interest in the market over the last two days.

Analysts said a strong year-end rally failed to materialise because of heavier than usual tax loss selling and a lack of interest by individual investors.

Trading was dominated by Institutions and it appears that many of those closed their books for the year earlier and so were not very active.

However, analysts said it was a good sign that the Stock Market did not weaken substantially despite a background of a gloomy economic outlook, high interest rates and the precarious situation in Poland.

Rail, Mining, Banking and Chemical stocks were mostly higher, while Technology issues gave up some of Wednesday's gains, Oils were mixed.

Blue Chip issues were the most actively traded. Sears was the volume leader, due to a block of 1,605,954 shares that moved at \$15⅝. The stock closed at \$16⅛, up \$⅛.

Other active gainers included Ralston Purina, up \$⅛ to \$12, General Motors, \$¼ to \$38¾, Sony \$¼ to \$17, General Public Utilities \$¼ to \$6¾ and Chrysler \$⅛ to \$3⅛.

Equitable Gas jumped \$3 to \$35¼ after the announcement that a court ruling may allow it to price natural gas on the incentive basis rather than the present lower cost of service basis.

Faberge dipped \$⅜ to \$15¼—it expects to take a loss of \$5.4m this year due to the sale of its Brut Productions subsidiary.

THE AMERICAN SE Market Value Index moved up 3.39 to 320.63, the average price per share rose 15 cents, while advances led declines by 405-to-229.

Volume rose to 7,401m shares from 6,245m Wednesday, and Options volume widened to 222,200 contracts from 180,029.

Tubos de Acero, the volume leader, shed \$⅛ to \$2⅝—a block of 250,000 shares traded at \$2⅝.

Canada

Stock prices closed moderately higher last Thursday, with strong gains in the Metals and Banking stocks.

The Toronto Composite Index moved up 7.8 to 1,954.2, Metals and Minerals 14.6 to 1,839.6, Oil and Gas 3.1 to 3,697.2 and Banks 1.30 to 355.44. But Golds lost 14.8 to 2,877.1, Utilities 1.10 to 238.44 and Papers 0.84 to 184.38.

Royal Bank Preferred "A" advanced \$1¼ to \$15¼, and Canadian Imperial Bank of Commerce rose \$¼ to \$29.

United Keno Hill Mines improved \$1 to \$17½, as did Camflo Mines to \$19¼.

British Columbia Forest Products, the most active stock firmed 10 cents to \$3.95. Also in active trading, Dome Petroleum rose \$⅛ to \$15 and Nova Corporation "A" \$⅛ to \$9¼.

Gulf Canada eased \$⅛ to \$18⅛.

Paris

Share prices tended mixed in a dull market, with last-minute demand prompted by tax concessions under the Monory Law the only major feature.

Most sectors showed no clear trend, although Constructions firmed while Oils and Stores eased. La Redoute slipped 1 to FFr 794.

In Electricals, Electro-Mecanique shed 2.2 to FFr 41.8 after a brief suspension on heavy selling orders. In Constructions, Bouygues recovered 3 to FFr 942.

Foreign stocks were generally firmer.

Milan

Prices closed generally higher in modest trading ahead of the New Year holiday.

Among Banks, Insurances and Financials, Mediobanca, Generali and Centrale all firmed.

Olivetti and Pirelli each also gained slightly, while Fiat eased against the general trend.

Bonds closed generally higher in active trading.

Dull forecast for UK packaging

BY MAURICE SAMUELSON

HOPES that 1982 would bring the beginning of a recovery for Britain's packaging industry, have given way to fears that it could fall victim to a secondary economic recession.

This revised forecast comes from Mrs Rowena Mills, the industry's consultant economist. A year ago she said that although 1981 would be a poor year, it could be a prelude to a considerably better one.

But in the wake of the sharp rise in UK interest rates in the fourth quarter of 1981 this hope has been badly shaken, she writes in the December issue of Packaging Today.

"The packaging industry, struggling to emerge like a drowning man from the recession, was knocked smartly back into the depths—and in the case of many companies showed every prospect of disappearing for ever below the surface."

Because of poor business confidence and the depressing level of return on investment, Mrs Mills sees little technical or marketing development this year.

Her forecast embraces all the packaging materials industries

Among specific developments she foresees further light-weighting of glass containers and the extension of light-weighting to new products; the wider adoption of polyester bottles in the alcoholic drinks market; and greater demand in the beverage market for the quarter litre, two piece can.

She also expects gradually wider use of flexible or semi-flexible packs instead of rigid ones, particularly in food markets for which metal pouches would be appropriate.

Because of the low level of stocks, there would be some recovery in production levels if interest rates fall, and UK manufacturers would make greater export efforts if sterling remained below \$2.

The main hope, in Mrs Mills's view, is that with an election year approaching the Government will not remain impervious to rising unemployment, low capacity utilisation, and growing support for the Social Democrats.

"If we cannot detect a U-turn, we believe we can see some slight sign of flexibility creeping into the treatment of the economy."

NEW YORK

Indices

CANADA

Stock	Dec. 31	Dec. 30
AMCA Int'l	20⅛	23⅛
Abitibi	20⅞	21
Agnico Eagle	6½	6⅜
Alcan Alumin	27⅝	27⅛
Algoma Steel	45	45
Asbestos	19⅞	18½

BELGIUM (continued)

Dec. 30	Price Frs.	+ or —
Petrofina	4,640	+20
Royale Belge	4,500	—200
Soc Gen Banq.	2,050	+25
Soc Gen Belge	1,020	+10
Sofina	3,050	—45
Solvay	1,930	+60

HOLLAND

Dec. 30	Price Fls.	+ or —
ACF Holding	70	—1.8
Ahold	62.5	—1
AKZO	22.6	—0.1
ABN	283	—1
AMEV	87.5	
AMRO	54.9	

AUSTRALIA

Dec. 31	Price Aust. $	+ or —
ANZ Group	5.7	—0.05
Acrow Aust	1.35	
Ampol Pet	1.70	
Assoc. Pulp Pap	1.90	
Audimco	0.10	
Aust. Cons. Ind	1.78	+0.01
Aust. Guarant.	2.50	

JAPAN (continued)

Dec. 28	Price Yen	+ or —
Kubota	342	
Kumgaai	392	+2
Kyoto Ceramic	3,850	+150
Lion	395	
Maeda Cons	537	+10
Makita	870	—6
Marubeni	330	+3
Marudai	683	—7

DENMARK

FRANCE

ITALY

NORWAY

SWEDEN

GERMANY

SWITZERLAND

AUSTRIA

BELGIUM/LUXEMBOURG

HONG KONG

SINGAPORE

SOUTH AFRICA

JAPAN

BRAZIL

NEW YORK ACTIVE STOCKS

INTERNATIONAL COMPANIES and FINANCE

Mobil in new move to stop U.S. Steel's Marathon takeover

BY IAN HARGREAVES IN NEW YORK

MOBIL, rebuffed this week by a U.S. Supreme Court judge in its efforts to block the $6.4bn merger between U.S. Steel and Marathon Oil, has launched another legal manoeuvre to try to stop the deal.

Mobil late on Thursday filed with the Federal Appeals Court in Cincinnati, Ohio, for an emergency order to stop U.S. Steel going ahead with the takeover next Wednesday, the date recently stipulated by the court.

Mobil had to go to the Appeals Court because Justice Warren Burger of the Supreme Court told the oil company its approach to the nation's highest legal authority was out of order without it first passing through the Appeals Court channel.

It was this Appeals Court, however, which several days ago upheld the view of a lower court that Mobil's rival bid for Marathon violated anti-trust law.

The Cincinnati court did not have time to consider Mobil's latest suit before the New Year holiday, but Mobil's legal campaign looks daily more desperate and less likely to bear fruit.

At this point, the only likely way of stopping U.S. Steel going ahead with its takeover would be the arrival of a bid from a third company. However, the large oil companies, several of which are interested in Marathon, have been deterred by Mobil's lack of success on the anti-trust question.

About 90 per cent of Marathon's shares have already been tendered to U.S. Steel, which is offering $125 per share for 51 per cent of Marathon and securities for the remainder.

Indian fuel injection plan at UT and KOEL

BY R. C. MURTHY IN BOMBAY

KILOSKAR OIL ENGINES (KOEL) plans to manufacture fuel injection systems in collaboration with Ambac Industries of the U.S., a subsidiary of United Technologies, the diversified industrial group.

The move is made against a background of Government encouragement for new manufacturers entering the field, in which Motor Industries Company, a subsidiary of Bosch of West Germany, accounts for 90 per cent of output.

In the year to June 30 KOEL increased its gross profit by 34 per cent to Rs 66.76m ($7.3m), on a gain in sales of 29 per cent to Rs 825.8m ($90m). The dividend was raised to 15 per cent from 12.5 per cent.

The company, as an established diesel engine manufacturer, has supplied technology to Egypt and to some countries in the Far East. Its range covers such items as stationary and marine engines, bimetal strips and bearings.

Fujitsu export plans

FUJITSU, Japan's largest computer manufacturer, with which ICL has a sales and technology agreement, has announced plans to expand exports to about 30 per cent of total computer sales by 1985. Last year (ended March 31) exports accounted for a little under 10 per cent of computer sales and were valued at Y37bn ($168m), our Financial Staff writes.

The Japanese company's agreements with ICL, Siemens of West Germany, Amdahl of the U.S. and other foreign manufacturers are expected to help increase the value of computer exports during the current business year to Y58bn.

Akzo to produce disputed fibre

By Charles Batchelor

AKZO, the Dutch chemicals group, expects to begin a Fl 400m ($162m) investment programme to produce its Arenka fibre within the next three months, despite an unresolved patents dispute with Du Pont of the U.S.

Du Pont claims that Arenka infringes patents taken out on the U.S. company's Kevlar fibre. The two concerns are still waiting on a court ruling.

Enka, Akzo's fibres division, said a decision would be taken on the new project shortly, regardless of the outcome of the court case. Enka is convinced that its product does not infringe any Du Pont patents and is prepared to go ahead on this basis.

More important for Enka was progress on its programme of capacity cuts, the company said. Now that some of the Fl 150m to Fl 200m annual savings from plant closures were starting to come through, Enka was in a position to decide on the new venture.

Enka plans to build two new plants in the north-eastern Netherlands, one to produce the raw materials and the other to spin and process them into Arenka. The company declined to give expected production targets but said that after the two-year construction period the new factories would initially employ about 400 people.

Arenka and Kevlar are exceptionally strong light-weight fibres with applications in the areospace industry, small boat manufacture and in products such as bullet proof vests and snow chains.

Du Pont challenged Enka's plan to make Arenka in 1979. Last August a court in Wilmington, Delaware, ruled that Enka had not established that it had sufficient commercial interests in the U.S. to warrant a court decision on the validity of the Du Pont patents. Enka has appealed, but no final court ruling has yet been obtained.

The Dutch Government-backed Northern Development Company (NOM) and an unnamed commercial company expect to partner Enka in the Arenka project.

Papermakers cut trail to Deep South

Great Northern Nekoosa's pulp venture with Finland's Kymi Kymmene is likely to be followed by other deals involving Scandinavian groups seeking access to U.S. wood and pulp. Ian Hargreaves reports

A JOINT PLAN by a U.S. paper group and one of Finland's major forest product companies to build a pulp mill on the Leaf River in Mississippi at a cost of $540m does not, on the face of it, sound like a reason for getting excited.

But the project, involving Great Northern Nekoosa, a company which among other things owns 11 per cent of the state of Maine, and Kymi Kymmene of Helsinki, the second largest paper producer in Finland, points to some interesting trends in the world pulp and paper industry.

Kymi Kymmene's reasons for joining the Leaf River venture boil down to two things: it represents a way of increasing pulp supplies at a time when forest conservation policies in Finland have made it impossible to increase wood production and it does so at very low direct cost.

Great Northern has agreed to stump up 95 per cent of the common equity for the venture, leaving the Finnish company with 5 per cent, plus a more complicated preferred stock participation. Kymi Kymmene has also put into the deal a large pine sawmill it owns on the Leaf River.

Great Northern has no significant lumber operations and because of this has relative immunity from the profound depression in the North American construction market and is one of the strongest forest products companies in the U.S.

But even for Great Northern, the project is an enormous one.

In 1980, the company had sales of $1.4bn and the $540m capital cost of the pulp mill is more than five times GNN's 1980 net income. Wall Street analysts have estimated that GNN will have to almost double its $250m of long-term debt to get the project off the ground, but Mr Robert Hellendale, GNN's chairman, says he can finance the deal with $200m of bank debt, which he expects to convert into long-term debt when the bond market is in better shape.

The rest of the funds will come from cash flow, which will be greatly enhanced by the improved depreciation schedules which formed part of President Ronald Reagan's Economic Recovery Act last year.

Mr Hellendale says the joint venture was more attractive to GNN than going it alone—even though the U.S. company is putting up most of the money—because Kymi Kymmene has management and technological expertise in the bleached kraft market pulp the mill will produce and because the Finns will buy 80,000 tons of the mill's projected 350,000 tons per year output.

Bleached kraft pulp is the highest quality pulp and is used for the production of fine printing and writing papers.

The economic basis for the mill is a forecast generally accepted in the industry that demand for this type of pulp on the open market—as opposed to pulp produced and used internally by paper companies—will rise from under 17m tonnes this year to 25m tonnes in 1990. Planned capacity additions suggest that production capacity by 1990 will be only 21.4m tonnes, indicating a handsome return for well conceived and well-timed additions to capacity.

Such projections, of course, seldom work out smoothly, and even before the ink was dry on GNN's own studies, market conditions had started to weaken because of recession in Europe and the U.S. North America, Western Europe and Japan account for 90 per cent of demand for bleached Kraft market pulp.

This has undermined some of the cosier forecasts about the outlook for pulp prices, which had been projected to reach $850 a tonne by 1985, compared with a current U.S. price of about $500 a tonne.

These development, however, do not appear to worry Mr Hellendale, who points out that at 350,000 tonnes annual production, Leaf River will account for less than half a per cent of world market pulp production.

Also, he believes that demand for paper, especially higher quality papers, will continue to show some resistance to cyclical downturns in the economy and that a well-engineered plant in Mississippi, which is one of the lowest cost areas of the U.S., will be among the most efficient and cost -effective mills in the world.

The south-eastern U.S. has become, as a region, the most important in the U.S. forest products industry in recent years because softwood trees are still growing at a substantially faster rate than they are being consumed — unlike the Pacific north-west and, to a lesser extent, the north-east.

Before deciding on the joint venture and the expenditure involved, GNN looked at alternatives, including acquisitions, but found that at the prices asked and paid for forest lands large-scale timber purchases were not attractive to a paper producer. That does not mean they are unattractive as an inflation hedge, however.

Also, GNN, whose paper shipments have expanded from 1.26m tonnes in 1979 to 1.47m tonnes last year, expects to continue growing, especially in the white paper area, and to eventually to need some of Leaf River's production itself.

Mr Hellendale thinks that in the late 1980s, it will be better strategically to have access to adequate internal supplies of pulp, rather than to be in the open market subject to commodity price volatility "It's hard to compete in the paper business when you have to buy pulp," he says.

Leaf River does mean GNN will have to forgo some smaller capital spending projects, such as further conversion of its energy sources in the north east away from imported oil and in the direction of coal, hydro-electricity or, the company's latest installation, a $40m boiler which runs on wet tree bark.

The oil glut has reduced the urgency for dealing with these problems, but it has not reduced the need for Scandinavian forest products companies to secure future supplies of timber and pulp.

With Scandinavian timber costs running at about 50 per cent above those of U.S. producers, more deals of the GNN-Kymi Kymmene type are likely.

Scott placed in charge of Sime's western division

BY WONG SULONG IN KUALA LUMPUR

MR JIM SCOTT, joint chief executive of Sime Darby, the Malaysian conglomerate, is to be based in London from February 1 to take charge of the group's loss-making western division.

A Sime statement said Mr P. R. Clayton, the division's present head, would report direct to Mr Scott, who would in turn, be responsible to Tun Tan Siew Sin, the group's chairman.

Mr Scott's transfer to London is part of a series of moves, promised by Tun Tan at the shareholders' meeting last November.

For the last financial year, ended June, the western division incurred a loss of nearly 6m ringgit ($2.6m) on a turnover of 617m ringgit ($275m). One of its subsidiaries, Sime Darby Commodities, made a decision, not approved by the board, to invest in a fishing venture which resulted in a loss of more than 4m ringgit.

In London, Mr Scott will also be responsible for a more expansionary outlook, looking in particular to Europe and North America

Asuag sells subsidiary

By John Wicks in Zurich

ASUAG, the leading Swiss watch group, has sold its Nivarox watch and industrial components subsidiary to Cicorel, a Lausanne-based printed circuit maker.

As part of the deal Asuag will take a 25 per cent interest in Cicorel, until now a wholly-owned subsidiary of Societe d'Exploitation des Cables Electriques Cortaillod, a Swiss electrical equipment group.

Nivarox had a 1980 turnover of SwFr 25.8m ($14.3m) and recently opened a production line for flexible printed circuits and for the automated assembly of electronic components.

Namibia authorities buy 51% stake in airline

BY BERNARD SIMON IN JOHANNESBURG

NAMIBIA'S interim government has bought a 51 per cent interest in a privately owned airline, Namib Air, with the intention of developing it into a national airline.

The shares were bought from Safmarine, the South African shipping line, which retains the remaining 49 per cent. The purchase price was R1.5m ($1.55m).

Namib Air operates two Convair 550 aircraft, one DC-3 and several smaller aircraft. With the exception of flights between Windhoek and Cape Town, all its routes are within Namibia. It also operates a charter business. It has applied for traffic rights to Upington in the North of South Africa's Cape province.

The shares bought by the Namibian administration will be held by the semi-government First National Development Corporation, which will appoint four new directors, including a new chairman, to Namib Air's board.

Mr Johann Lourens, the company's executive director, said plans to buy more modern aircraft would be drawn up later.

COMMODITIES/REVIEW OF THE WEEK

Ghana coup lifts cocoa market

BY OUR COMMODITIES STAFF

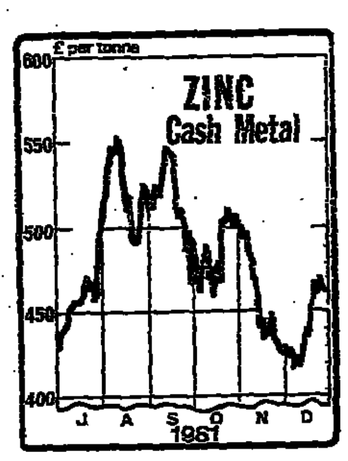
NEWS OF the Ghana coup lifted cocoa prices on the London futures market on Thursday. After falling early in the day, reflecting the stronger tone in sterling, prices recovered and the March position ended at £1,155.50 a tonne, up £24 on the day and £16.50 on the week. The rise was also encouraged by reports of Russian buying demand and confirmation that the International Cocoa Organisation (ICCO) buffer stock manager plans to spend the remaining portion of his market support fund on buying 35,000 tonnes of cocoa direct from producers before the next ICCO council meeting on January 25.

The purchases, from Brazil, Ghana, Nigeria and the Cameroons, will be made on normal commercial terms.

Earlier in the week cocoa prices declined on currency considerations and reports that at least two Ivory Coast vessels were discharging at Amsterdam. The cocoa they were carrying was thought already to be spoken for but with nearby supplies being far from short the news still tended to depress prices.

The coffee market had a dull and featureless week with March futures on the London market ending unchanged at £1,143.50 a tonne.

Yesterday London merchant E. D. and F. Man published a new forecast putting 1981/82 consumption by International Coffee Organisation (ICO) members at 55.83m bags (60 kilos each). This would be up from 1980/81's 54.86m bags but still 170,000 bags below 1981/82 ICO export quotas totalling 56m bags.



Sugar trading was also extremely dull with a featureless intra-holiday market being further inhibited by uncertainty about the Polish situation. The March position on the London futures market ended £7.35 down at £173.625 a tonne.

In Rio de Janeiro the Brazilian Sugar and Alcohol Institute confirmed that it had sold no sugar since September. It said it was still evaluating the damage done by the July frost and had not yet updated its August estimate that 1.2m tonnes of sugar had been lost leaving a forecast 1981/82 crop of 8.4/8.5m tonnes. But it still expected to export its full International Sugar Agreement quota of 2.34m tonnes in 1982, it added.

Base metal markets were also quiet. After falling early in the week in line with the precious metals copper rallied a little on U.S. buying. Cash copper wirebars on the London Metal Exchange ended the abbreviated week £6.75 up at £876.75 a tonne.

American Bureau of Metals Statistics figures released during the week showed U.S. refinery stocks rose 20,000 tonnes between October and November. This, together with news that U.S. car sales fell to the lowest level for 22 years last year, had tended to trim back prices early on.

The tin market eased with cash standard metal ending £40 down at £8,335 a tonne. News that the LME stock level had been raised from 8,910 tonnes to 13,335 tonnes was shrugged off as most of the rise represented the reinstatement of metal taken off warrant but not actually shipped in the previous week. The fall in the market was encouraged by a 220 tonnes sale from the U.S. General Services Administration stockpile.

Lead prices were trimmed back on light liquidation and stop-loss selling. Cash metal ended £4.25 down at £363.50 a tonne after rising £3 on Thursday. Zinc also fell encouraged by hopes of a settlement to the long-running strike at Ireland's Tara mine at talks to be held next week. Cash zinc ended £15 down at £462.50 a tonne.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£760/70
Free Markets c.i.f.	$1120/1140	—10.0	$1460/490	$1500/1550	$1015 045
Antimony					
Free Market 99.6%	$2440/2540	—	$3200/260	$3200/3260	$2440/540
Copper Cash High Grade	£876.75	—11.75	£791.0	£1,023.5	£756
3 months Do. Do.	£903.25	+12.00	£806.75	£1,052.75	£777.5
Cash Cathodes	£870.50	+9.00	£770.0	£1,025	£748.5
3 months Do.	£898.75	—12.25	£786.0	£1,045	£765.5
Gold per oz	$400	—1.5	$589.5	$601	$390
Lead Cash §	£363.5	—1.5	£304.5	£502	£273.75
3 months §	£377.75	—0.75	£316.5	£499.5	£285.25
Nickel	£2,915	—763.69	£3,228.8	£4,219.88	£2,915
Free Market c.i.f. lb	250/290c	—	275/290c	295/310c	225/275c
Platinum per oz	£199.45	—60.55	£202	£260	£203
Free Market per oz	£205.50	—	£241.95	£260.90	£185.60
Quicksilver (76lbs.)	$419/418	—	$355/365	$428/438	$355/365
Silver per oz	426.90p	—11.45	650.30p	671.20p	412.80p
3 months per oz	442.20p	—12.35	675.70p	695.70p	427.00p
Tin cash	£8,335	—17.5	£6,260	£8,575	£5,700
3 months	£7,960	—117.5	£6,347.5	£8,657.5	£5,865.5
Tungsten Ind.	$134.48	—	$141.97	$149.08	$134.48
Wolfram (22.04 lb)	$120/125	—	$143/146	$151/156	$120/125
Zinc cash	£462.5	—5.0	£331.5	£553.5	£306.5
3 months	£473.25	—5.5	£345	£566.5	£318.25
Producers	$920/950	—	$825	$1000	$825
GRAINS					
Barley Futures	£107.35	—0.50	£99.00	£108.00	£94.40
Maize French	£132.50	—	‡	£132.50	£119.75
WHEAT Futures	£112.20	—0.30		£121.10	£99.10
Hard Winter Wheat	‡	—	£106.25	£124	£102.0
SPICES					
Cloves (g)	£5,535y	+35.0	£4,100	£6,000	£5,800
Pepper, white	$2,025	—	$2,150	$2,150	$1,850
black	$1,450x	+50	$1,610	$1,650	$1,225
OILS					
Coconut (Philippines)	$547.5y	+2.5	$615	$640	$520
Groundnut 5%	‡	—	‡	‡	‡
Linseed, Crude		—	£460	£480	£400
Palm Malayan	$482.5w	—	£625.0	$645	$475
SEEDS					
Copra (Philippines)	$340y	—5	$420	$430	$335
Soyabeans (U.S.)	$254w	+1.5	$326	$340	$246
OTHER COMMODITIES					
Cocoa Shipment§	£1,200.5	+8.5	£967	£1,416	£850
Cocoa Futures Mar.	£1,155.5	+11.0	£891.5	£1,318	£789.5
Coffee Futures Mar.	£1,143.5	+9.0	£1028	£1,167.5	£733.5
Cotton Index	67.85c	+0.40	100.80c	101.15c	67.20c
Des Coconut	£540	—	£650	£680	£610
Gas Oil Fut. Jan.	$325.25	—3.25	£221	$329	$269
Jute LJ ABW C grade	£265x			£265	£219
Rubber kilo	49.50p	+0.50	56p	65.25p	49p
Sago Pearl	£228x	—	£199	£252	£197
Sisal No.	$640x	—	$780	$780	$ 640
Sugar (Raw)	£167xa	—9.0	£290	£315	£148
Tapioca No. 1	£225x	—	£212	£235	£207
Tea (quality) kilo	117p	—	‡	150p	117p
(plain) kilo	80p	—	‡	87p	59p
Wooltops, 64s Warp	380p kilo	—	297p kilo	400p kilo	294p kilo

‡ Unquoted. (g) Madagascar. (y) Jan/Feb. (v) Feb. (x) Dec/Jan. (z) March. (w) Jan/Feb. (a) Feb. *Nominal. § Ghana cocoa.

MARKET REPORTS

BASE METALS

BASE METAL prices were generally a little firmer in a shortened New Year's Eve trading session on the London Metal Exchange. Copper edged up to £904, with the Contango widening to £27. Lead closed at £373, Zinc at £473.5 and Aluminium at £616.5. By contrast, Nickel drifted down to £2955, and Tin, after a more active day, closed at £7850, with cash metal at £8225.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
HighGrade Cash	876.5-7	+6.25	—	+2
3 mths	903-.5	+8.25	—	+2.5
Settlem't	877	+5	—	.....
Cathodes Cash	870-1	+1.75	—	+2
3 months	898.5-9	+5	—	+2.25
Settlem't	871	+2	—	.....
S. Prod	—	.....	*77-82	.....

Amalgamated Metal Trading reported that in the morning high grade cash copper traded at £876.50, 77.00. Three months £904.00, 04.50, 03.50, 03.00, 03.50, 04.00, 03.50. Kerb: Higher Grade: Three months £903.00, 03.50, 04.00, 04.50, 05.00.

Turnover: 15,425 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	363-4	+7	—	+3
3 months	377.5-8	+8.25	—	+8.25
Settlem't	364	+7	—	.....
U.S. Spot	—	.....	*31-4	.....

Lead—Morning: Three months £376.00, 76.50, 77.00. Kerb: Three months £377.00, 78.00.

Turnover: 2,875 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8330-40	-17.5	—	-5
3 months	7950-70	+57.5	—	+15
Settlem't	8340	-16	—	.....
Standard Cash	8330-40	-17.5	—	-5
3 months	7945-50	+57.5	—	+2.5
Settlem't	8340	-16	—	.....
Straits E.	$34.59	+0.01	—	.....
New York	—		—	.....

Tin—Morning: Standard cash £8340, 45. Three months £7920, 30, 40, 45. High Grade: Three months £7950. Kerb: Standard cash £8200, 30, 8200, 8205. Three months: £7940, 30, 20, 10, 7890, 7820, 7850, 40, 50. High Grade: Three months £7830, 7800.

Turnover: 2,370 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	462-3	+2	—	.....
3 months	473-.5	+3	—	.....
S'ment	463	+2	—	.....
Primw'ts	—	.....	*44-50	.....

Zinc—Morning: Three months £473.00, 72.00, 73.00, 73.50. Kerb: Three months £473.00.

Turnover: 3,775 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	590-1	+.5	—	.....
3 months	615.5-6	+2	—	.....

Aluminium—Morning: Cash £594.00, 93.00. Three months £614.00, 16.00, 17.00, 16.50, 17.00, 16.00. Kerb: Three months £615.00, 16.00.

Turnover: 3,675 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2910-20	-17.5	—	.....
3 months	2950-5	-20	—	.....

Nickel—Morning: Three months £2950, 60, 55, 50. Kerb: Three months £2960.

Turnover: 294 tonnes.

† On previous unofficial close.

* Cents per pound. ‡ M$ per kilo.

★

LIVERPOOL—Spot and shipment sales on New Year's Eve amounted to 50 tonnes. Dealings remained light with various growths in demand during the closing session of the year.

SILVER

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	426.90p	+5.55	426.75p	+2.25
3 months	442.20p	+5.05	448.25p	+1.50
6 months	458.65p	-3.30	—	.....
12months	491.60p	-3.25	—	.....

Silver was fixed 3.75p an ounce higher for spot delivery in the London bullion market yesterday at 426.9p. U.S. cent equivalents of the fixing levels were: spot 815.4c, up 10.2c: three-month 842c, up 10.1c; six-month 872.3c, up 10.2c; and 12-month 934.4c, up 10.9c. The metal closed at 426-428p (813-818c).

LME—Turnover 96 (87) lots of 10,000 ounces. Morning: Three months 443.0, 42.5, 42.0, 42.1. Kerb: Untraded.

COCOA

COCOA	Yes'day's Close	+ or —	Business Done
Dec.	—	—	1149-36
March	1155-56	+24.0	1160-27
May	1157-58	+25.0	1159-32
July	1164-66	+21.0	1168-42
Sept	1172-75	+20.0	1178-53
Dec.	1188-89	+18.5	1191-71
March	1196-97	+18.5	1197-96

Futures opened quietly but later steadied on the news of the coup in Ghana, to post gains of £25 at midday. During the afternoon trade selling and profit-taking was even, matched by further commission house support, reports Gill and Duffus.

Sales: 2,075 (1,064) lots of 10 tonnes.

ICCO—Daily price fob Dec 31: 96.82 (94.85): Indicator price for Jan 4: 95.03 (94.59). U.S. cents per pound.

COFFEE

Pre-weekend book squaring, together with a considerable amount of cross trades emerged as the only features during a quiet morning, reports Drexel Burnham Lambert. A lack of fresh incentive during the afternoon reflected the midday closure in New York and the general quietness at the end of the year.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Jan	1152-55	—0.5	1154-46
March	1143-44	+0.5	1145-35
May	1123-24	—5.0	1133-13
July	1112-13	—2.0	1111-04
Sept	1108-09	—3.0	1110-00
Nov	1104-05	—5.0	1107-05
January	1100-04	—3.0	—

Sales: 2,620 (1,881) lots of 5 tonnes.

ICO indicator prices for December 30: (U.S. cents per pound): Comp. Daily 123.60 (123.30), 15-day average 122.93 (same).

GAS OIL FUTURES

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
December	319.25	—4.75	319.50-19.25
January	325.25	—0.50	325.25-25.00
February	323.25	—0.50	323.50-23.00
March	316.75	—0.50	317.25-16.75
April	311.25	—0.50	—
May	308.00	—1.00	—
June	307.50	—	—
July	308.00	—0.50	—
August	308.00	—0.50	—

The market opened slightly lower this morning. Prices drifted during the day in very quiet trading conditions and closed 50 cents lower on the day, reports Premier Man.

Turnover: 191 (747) lots of 100 tonnes.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller). Australian cents per kg. Mar 496.0, 499.0; May 505.0, 509.0; July 514.0, 517.0; Oct 512.0, 515.0; Dec 518.0, 518.5; Mar 526.0, 528.0; May 527.0, 529.0. Sales: nil.

LONDON AND NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business). New Zealand cents per kg. Jan 364, 363, nil; Mar 374, 377, nil; May 377, 381, nil; Aug 393, 397, 394; Oct 396, 399, 397; Dec 403, 406, nil; Jan 405, 408, 405; Mar 414, 418, 415; May 422, 427, nil. Sales: 6.

GRAINS

Old crop wheat opened 5 up, only Jan remained strong with the rest of the old crop receiving little attention. Barley opened 5 down with Jan and Mar continuing weaker. A very quiet afternoon saw wheat close unchanged to 25 up and barley unchanged to 10 down. Acli reports.

	WHEAT		BARLEY	
Mnth	Thursdays close	+ or —	Thursdays close	+ or —
Jan	108.50	+0.25	103.65	—0.10
Mar	112.20	—	107.35	—0.20
May	115.60	—0.05	110.70	+0.05
July	118.75	—	—	—
Sep	106.75	—	101.65	—
Nov	110.35	—	105.50	—

Business done—Wheat: Jan 108.50-108.30, March 112.25-112.15, May 115.70-115.60, July 118.80 only, Sept untraded, Nov untraded. Sales 82 lots of 100 tonnes. Barley: Jan 103.65-103.55, March 107.45-107.35, May 110.65-110.60, Sept untraded, Nov untraded. Sales: 49 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2 14 per cent. Jan 115.50, Feb 117.25, March 118.50 trans shipment East Coast. Maize: French Jan 132.50 trans shipment West Coast. South African White/Yellow Dec 83.00. Barley: Scottish Jan 109.50, Peterhead English Jan 110 East Coast. Jan/March 111.50, April/June 115.50 East Coast.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 105.00; S. West 104.00; N. West 104.50. The UK Monetary Coefficient for the week beginning Monday January 4 1982, is expected to remain unchanged.

RUBBER

The London physical market remained totally inactive throughout the day. Lewis and Peat reported a December fob price for No. 1 RSS in Kuala Lumpur of 201.5 (same) cents a kg and SMR 20 178.0 (177.5).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Feb.	51.80-51.60	51.40-51.50	51.50
Mar.	52.20-52.50	52.00-52.50	—
Apl-Jne.	54.30-54.50	54.40-54.50	—
Jly-Sept	57.40-57.50	57.60-57.70	57.70-57.50
Oct-Dec	60.70-60.80	60.70-60.80	60.80-60.40
Jan-Mar	63.90-64.00	63.70-64.00	—
Apl-Jne.	66.80-66.90	66.60-67.00	—
Jly-Sept	69.80-69.90	69.60-70.00	—
Oct-Dec	72.70-73.00	72.60-73.20	—

Sales: 23 (90) lots of 15 tonnes 5 (3) lots of 5 tonnes.

Physical closing prices (buyers) were spot 49.50p (same), Feb 52.00p (52.25p), March 52.00p (52.25p).

SUGAR

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Dec. 30: Daily price 12.86 (12.98); 15-day average 13.15 (13.14).

LONDON DAILY PRICE—Raw sugar £167.00 (£166.00) a tonne cif Dec-Jan-Feb shipment. White sugar daily price £171.50 (same).

No. 4 Con-tract	Thursdays close	Previous close	Business done
	£ per tonne		
Jan.	—	168.00-71.50	176.25-68. 5
March	175.50-75.75	176.80-76.85	174.50-72.00
May	175.50-75.55	176.00-76.25	176.25-74.50
Aug.	179.25-79.50	179.55-78.75	179.50-76.50
Oct.	185.00-85.50	183.65-83.75	183.50-82.50
Jan.	185.00-85.50	184.00-86.00	—
March	188.05-90.00	189.50-9 1.00	—

Sales: 1,331 (7,147) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £375.00 (same) a tonne fob for home trade and £277.00 (£276.00) for export.

POTATOES

LONDON POTATO FUTURES—The market was weaker generally quiet ahead of holiday, reports Coley and Harper. Closing prices: Feb 91.30 —1.20 (high 91.50, low 91.00); April 100.30 —1.20 (high 110.70, low 109.90; Nov 67.00 unchanged (untraded). Turnover: 352 (401) lots of 40 tonnes.

SOYABEAN MEAL

The market opened easier easier on quiet conditions reports T. G. Roddick. Prices drifted slightly lower before firming at end of session to close around unchanged.

Sales: 55 (44) lots of 100 tonnes

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
February	126.50-27.1	—0.60	127.20
April	129.20-29.3	—0.05	129.30-29.00
June	128.60-29.2	—0.55	129.50-29.50
August	129.00-31.0	—0.40	—
October	129.60-33.0	—0.25	—
Dec.	130.50-35.5	—0.50	—
Feb.	131.50-38.0	—0.25	—

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle —101.59p per kg lw (—); UK—Sheep —187.93p per kg est dcw (—); GB—Pigs —83.54p per kg lw (—).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 86.0 to 93.0; Ulster hindquarters 93.0 to 104.2, forequarters 58.5 to 64.2. Veal: Dutch hinds and ends 139.0 to 145.0. Lamb: English small 80.0 to 85.0, medium 82.0 to 86.0, heavy 80.0 to 84.0. Pork: English, under 100 lb 47.0 to 55.0, 100-120 lb 45.0 to 54.0, 120-160 lb 42.0 to 52.0.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Moroccan: Navels 48/113 4.00; Spania: Navels/Navelinas 42/130 4.60-4.40; Jaffa: Navels 88/144 4.55-5.35. Clementines—Spania: 3.20-5.50; Moroccan: 1/6 3.50-4.50. Satsumas—Spania: 3.60-3.80. Lemons—Cypriot: 3.30-4.50; Italian: 60/150 3.50; Greek: 5.00-6.00; Spania: 40/50 2.40-2.50. Grapefruits—U.S.: Pink 32/48 6.00-7.00; Cypriot: Large cartons 3.60-4.50, small cartons 2.80-3.40; Jaffa: 36/88 3.80-4.55. Apples—French: New crop, Golden Delicious 20-lb 3.00-3.80, 40-lb 5.60-6.80, Starkcrimson 40-lb 7.00-7.50, 20-lb 3.40-3.80, Granny Smith 8.00-9.00; Canadian: Red Delicious 9.00-11.00; U.S.: Red Delicious 8.00-13.00; Hungarian: Starking 6.60-7.00. Pears—Dutch: Comice 14-lb, per pound 0.24-0.26. Peaches—S. African: 4.00; Zimbabwean: 4.50. Nectarines—S. African: 18/28 5.00-6.00; Chilean: 33/48 9.00-10.00. Plums—U.S.: Per pound 0.20-0.40; Chilean: Santa Rosa 17-lb, per pound 0.30. Grapes—Spanish: Almeria 11-lb 3.30-4.00, Negra 4.00-4.40; U.S.: Almeria, per pound 0.50, Red Emperor 0.60. Strawberries—Israeli: 8-oz 1.00-1.20; New Zealand: 1.50. Raspberries—New Zealand: 8-oz 1.50-1.80. Litchees—Mauritius: Per pound 1.00; S. African: 1.00. Melons—Spanish: 10-kg 5.00-6.00; 15-kg A1 10.50-11.00. Pineapples—Ivory Coast: Each 0.40-1.00. Bananas—Colombian: Per pound 0.13. Avocados—U.S.: Large box 5.50-6.00, small box 2.50; Israeli: 3.60-4.20; Canary: Large box 5.00, small box 3.50-4.00. Mangoes—Kenyan: 8/16 5.00; Brazilian: 7.50-8.00. Dates—Tunisian: 30's 0.50-0.60; U.S.: 0.43-0.44. Tomatoes—Spanish: 0.50-1.50, Canary: 1.50-3.00; Moroccan: 0.70-0.80. Onions—Spanish: Grano 3/5 5.00. Capsicums—Dutch: 5-kilos, red 8.00; Canary: Green 3.00-3.50, red 4.50-5.00; Italian: Green 3.00; Israeli: Red 6.50. Cabbages—Dutch: White 3.50-4.00, red 4.00-4.50. Cauliflowers—Jersey: 24's 10.00, 30's 7.00; French: 24's 9.00-10.00. Celery—Israeli: 5.00; Spanish: 5.00-6.00. Carrots—Dutch: 22-lb 4.00, pre-packed 5.20. Lettuces—Dutch: 24's 3.60-4.00.

AMERICAN MARKETS

NEW YORK, December 31.

††Cocoa—March 2054 (2002), May 2060 (2008), July 2065, Sept 2074, Dec 2098, March 2129.

Copper—Jan 73.90 (24.65), Feb 74.80 (75.55), March 75.50-75.90, May 77.20-77.30, July 78.80-79.10, Sept 80.40, Dec 83.00, Jan 83.65, March 85.20, May 86.75, July 88.35, Sept 89.95. Sales: 2,000.

Cotton—No. 2: March 64.25-64.30 (64.55), May 65.65-65.75 (66.05), July 67.35, Oct 69.00-69.20, Dec 70.20, March 71.55-71.60, May 72.40-72.80.

*Gold—Jan 399.2 (399.4), Feb 402.6-403.0 (403.0), March 406.6, April 410.0-411.0, June 419.0, Aug 427.5-428.5, Oct 437.1, Dec 446.5, Feb 456.1, April 465.9, June 475.9, Aug 485.9, Oct 496.0. Sales: 16,000.

Orange Juice—Jan 116.40-116.60 (116.90), March 119.90 (119.65), May 121.40-121.50, July 123.40, Sept 124.60-124.80, Nov 125.30.

*Platinum—Jan 373.0-373.5 (373.6), April 384.0-385.0 (384.3), July 396.0, Oct 409.0, Jan 428.0. Sales: 1,211.

Potatoes (round whites)—Feb 69.5-71.2 (70.0), March 74.0 (73.8), April 78.4-78.5, Nov 75.5-777.0.

¶Silver—Jan 812.5 (821.), Feb 820.8 (829.8), March 827.0-832.0, May 850.0, July 868.0, Sept 895.0, Dec 918.5, Jan 929.4, March 948.3, May 958.2, July 988.1, Sept 1003.0. Sales: 3,500.

Sugar—No. 11: March 13.18-13.20 (13.15), May 13.41-13.45 (13.30), July 13.65, Sept 13.83-13.85, Oct 14.04-14.05, Jan 13.90-14.30, March 14.70-14.72, May 14.60-14.80. Sales: 2,500.

Tin—685.00-710.00 (690.00-720.00).

CHICAGO, December 31.

Chicago Imm Gold—March 407.3-405.0 (406.3), June 421.0-419.0 (419.9), Sept 433.3, Dec 447.9, March 465.0, June 478.3, Sept 493.8.

Lard—Chicago loose 18.25 (—).

Live Cattle—Feb 54.30-54.50 (54.73), April 54.50-54.45 (54.62), June 55.85-55.70, Aug 54.80-55.10, Oct 54.20-54.00, Dec 55.30.

Live Hogs—Feb 43.40-43.30 (43.67), April 42.97-42.92 (43.17), June 45.65-45.70, July 46.80-47.00, Aug 45.65, Oct 44.55, Dec 45.65, Feb 47.40.

‡‡Maize—March 270½-270¼ (270¾), May 281½-281 (281¼), July 286¾-287, Sept 289-289¼, Dec 295½-295¼, March 306½-306½.

Pork Bellies—Feb 61.50-61.25 (61.80), March 61.60-61.50 (61.85), May 62.80-62.60, July 63.85-63.60, Aug 63.30.

†Soyabeans—Jan 616-611 (614¾), March 626-626½ (629), May 641½-641, July 656½-656¼, Aug 660, Sept 664, Nov 663½-664, Jan 684.

‖Soyabean Meal—Jan 184.2 (182.6), March 186.0-185.8 (185.6), May 188.3, July 191.0-191.5, Aug 191.5-192.0, Sept 192.8-193.0, Oct 192.5, Dec 197.5.

Soyabean Oil — Jan 18.60-18.59 (18.77), March 19.17-19.16 (19.38), May 19.77-19.75, July 20.35-20.40, Aug 20.42, Sept 20.60-20.65, Oct 21.00, Dec 21.40, Jan 21.40-21.45.

†Wheat—March 392-391 (390½), May 401-400¼ (400¼), July 408-408¼, Sept 422-421½, Dec 439½-439, March 453.

NEW ORLEANS—Milled Rice Futures (cents per cwt of U.S. No. 2 long grain): Jan 173.8 (175.9), March 168.0 (169.1).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

INDICES

FINANCIAL TIMES

Dec. 31	Dec. 30	Month ago	Year ago
248.97	249.82	248.57	263.19

(Base: July 1, 1952=100).

MOODY'S

Dec. 30	Dec. 29	Month ago	Year ago
988.9	982.2	986.4	1215.8

(December 31, 1931=100)

DOW JONES

Dow Jones	Dec. 30	Dec. 29	Month ago	Year ago
Spot	357.56	357.39	363.43	442.16
Fut.rs	365.79	363.03	369.39	464.80

(Average 1924-25-26=100)

REUTERS

Dec. 31	Dec. 30	M'nth ago	Year ago
1614.2	1610.6	1611.3	1720.4

(Base: September 18, 1931=100)

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Wednesday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Wednesday and settled through the Stock Exchange Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those securities in which no business was recorded in Wednesday's Official List, the *latest recorded business done during the previous seven* business days is given with relevant dates appended. The number of bargains done on Wednesday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. ⊙ Bargains done previous day. $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BANKS, DISCOUNT (284)

BREWERIES (250)

COMMERCIAL (5,112)

A—B

C—D

E—F

Fairview Est. (50p) 96 8
Farmer (S.W.) 128
Farnell Electronics (20p) 537 40 3 5
Fashion General Invest. (5p) 230 (22/12)
Feb Int. (10p) 78 (21/12). A (Non-Vot.) (10p) 77 (23/12)
Feedex Agricultural (10p) 33
Fenner (J. H.) 151
Ferguson Industrial Hldgs 76 80
Ferranti (50p) 610 5 20 1 2
Ferry Pickering Group (10p) 74 5 (29/12) New (10p) 74½ (22/12)
Fidelity Radio (10p) 49 50 1
FII Indmar 89 92 (23/12)
Fine Art Developments (5p) 45
Finlan (John) (10p) 132½ 7 8 ½ 41 2 3 4

G—H

I—K

L—M

Lawtex 46
Lead Inds (50p) 156
Leaderflush (10p) 28 (22/12)
Lec 180 (23/12)
Lee (12½p) 16¼
Lee Cooper 137 40
Leech (20p) 55 (29/12)
Leeds District Dyers 69¼ 70
Leigh Interests (5p) 105½ 6½ 10 1 2
Lennons (10p) 49 ¼ 52 (24/12)
Lep (10p) 280 (24/12)
Lesney (5p) 17 8. 7½pcPf (£1) 22
Lex Service 95½ 6 8 9. Wts to sub 28 (23/12)
Leyland Paint Wallpaper 37 8
Ley's Foundries Eng. 19

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS (281)

INSURANCE (251)

INVESTMENT TRUSTS (256)

Oil Associated 80 (29/12)
Outwich 64 (22/12)
Pentland 150
RIT (50p) 348 50
Raeburn 142 4
Rights Issues 40 (29/12). Cap 30 (29/12)
River Mercantile 121 ½ 3 (23/12)
Robeco NV (Br) (Fl50) 46⅞ 4
Rolinco NV Br (Fl50) 50 (29/12)
Romney Trust 121 (23/12). 4¼pcLn. 115 7
Rosedimond Invest. Inc. 52. Cap. 125
St Andrew 156
Save Prosper Linked Inc. (10p) 155. Cap. (10p) 88

UNIT TRUSTS (7)

MINES—Miscellaneous (170)

MINES—South African (80)

OIL (361)

PROPERTY (272)

APPOINTMENTS

General manager for National Benzole

NATIONAL BENZOLE'S director and general manager **Mr Eric Daykin** has retired and is succeeded by **Mr John Price**, who has been involved in the retail petrol market for most of his career. Mr Price has worked for both Shell and BP brands, and joins National Benzole from BP Oil, where he was deputy *retail manager*.

★

The ROYAL BANK OF CANADA has promoted two London-based executives. **Mr P. J. (Bud) Rossiter**, previously vice-president and general manager, UK, Ireland and Nordic countries, and **Mr W. C. C. (Colin) Mackay**, vice-president and general manager, Middle East and Africa, have both been appointed senior vice-presidents and general managers for their respective areas.

★

BXL PLASTICS has appointed **Mr Brian S. Glyde** as general manager of its Cascelloid division, based at Leicester. **Mr Kenneth G. Gerber** becomes a member of BXL's executive committee.

★

The Trade Secretary has appointed **Mr Walter Patrick Shovelton**, director-general of the general council of British Shipping and **Dr Keith Bright**, group chief executive of Huntley and Palmer Foods as part-time members of the BRITISH AIRPORTS AUTHORITY. Both will serve until December 31 1983.

★

Mr E. C. Teideman has been appointed a director of REA BROTHERS, bankers.

★

The Queen has approved the appointment of **Mr Charles Keith Frossard**, at present Deputy Bailiff of GUERNSEY, as Bailiff of Guernsey in succession to **Sir John Loveridge** who will retire next August.

★

Mr Charles D. Mackay has been appointed chairman of the overseas operations of CHLORIDE GROUP in succession to **Mr Bill Wanstall** who retires in March. Mr Mackay joins Chloride from Pakhoed Holding of Rotterdam where he was chairman of the Paktrans division.

★

Three directors have been appointed by REYNOLDS BOUGHTON — part of the Boughton Engineering Group: ***Mr Stephen Boughton***, *currently* production manager of T. T. Boughton and Sons; **Mr Don Brotherton**, currently chief engineer with the group; and **Mr Victor French**, data processing manager.

★

Mr M. A. Jones has been appointed joint secretary of the LIFE OFFICES' ASSOCIATION. He has been deputy secretary since 1974.

★

Mr M. R. Perrott has been *appointed director of the* BRITISH LEAD MANUFACTURERS ASSOCIATION following the retirement of **Mr B. R. Lewis-Smith**.

★

The board of the Secombe Centre Management Company has appointed **Miss Glen Walford** the first director of the SECOMBE CENTRE, Sutton. Since 1979 she has been artistic director of the Chung Ying Theatre Company, Hong Kong.

★

Mr G. C. Evans has been appointed a director of C. E. HEATH. He recently retired from Lloyds Bank where he was joint general manager.

★

ENGLISH AND AMERICAN INSURANCE COMPANY, a wholly-owned subsidiary of the Bowring Group, has made the following appointments to the board: **Mr J. W. Ramplin**—chairman, **Mr P. D. Evans**—managing director, **Mr G. A. Cooke, Mr A. E. Gschwind (U.S.), Mr H. S. Hughes, Mr C. M. Keeling, Mr T. L. G. Landon, Mr W. N. M. Lawrence, Mr A. R Taylor**, and **Mr C. J. P. Willis**.

Mr Hughes, Mr Keeling, Mr Taylor and Mr Willis will be general managers of the company. **Mr T. F. Scutts** will be joint marine underwriter. Mr Landon will be managing director of Trinity Square Services, a wholly-owned subsidiary of English and American Insurance Company.

★

Mr Peter Ross, partner in Henderson Crosthwaite, has been appointed a non-executive director of L. TEXAS PETROLEUM INC.

★

Mr D. C. Clamenti and **Mr J. A. Spall** have been appointed to the board of KLEINWORT, BENSON from January 1. **Mr G. A. Chandler, Viscount Chandos, Mr N. B. Christie** and **Mr C. H. S. Noble** have become assistant directors of Kleinwort Benson and **Mr C. C. Maltby** has become an assistant director of Kleinwort Benson Investment Management also from January 1.

★

Mr Gordon Wilson has been appointed executive director of BRITISH EXECUTIVE SERVICE OVERSEAS. Mr Wilson, a former chairman of UAC of Nigeria and director of UAC International, a subsidiary of Unilever, succeeds **Mr E. J. Westnedge**, who will continue to assist in a part-time capacity.

★

The Home Secretary has appointed **Mr Richard Langdon** of Spicer and Pegler, chartered accountants, to advise him on certain matters connected with the 21st HORSERACE BETTING LEVY SCHEME for 1982-83.

★

Mr Michael Meagher has been appointed deputy chief executive of ULSTER BANK, part of *the National Westminster Bank* Group. A director of Ulster Bank since 1978, he is the chief executive of Ulster Investment Bank, its merchant banking subsidiary.

★

The new regional director for the Departments of the Environment and Transport in the north west is to be **Mr David Renshaw**, at present an assistant secretary in the department of the Environment in London. His appointment takes effect *early in January He is currently* head of water pollution division in the department. In Manchester Mr Renshaw will take over from **Mr Eric Sorenson**, whose appointment as head of the task force for Merseyside was announced in October.

★

Manchester based JOHN MAUNDERS CONSTRUCTION has appointed **Mr Bernard Davies** as managing director. Mr John Maunders, relinquishes the role of managing director to become executive chairman.

LOCAL AUTHORITY BOND TABLE

Authority (*telephone number in parentheses*)	Annual gross interest	Interest payable	Minimum sum	Life of bond
Knowsley (051 549 ...)		½-year	1,000	4-5

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UTILITIES

UNLISTED SECURITIES MARKET

PLANTATIONS

RAILWAYS

SHIPPING

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

Westfield Mins. 50 (29/12)
Westmex 11 (22/12)
Wesford Pet. 75 (23/12)
West Jay Pet. 25 (18/12)
Wheelock Marden A 64ø 2½ø 3½ø 50 1½ 2½ 3½
Wheelock Marden B 4¼ (18/12)
Whim Creek Cons. 32
Woodside Pets. 73½ø (24/12)
Woolworth (F. W.) America £8¾ (22/12)
Woolworth Hldgs. 381 (23/12)
York Resources 23½
Zone Petroleum 180 (29/12)

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

Alliance Building Soc. £99.25Bpc. 248pc (23/12)
All England Lawn Tennis £7,250
Ann Street Brewery 305
Aston Villa (1 vote) 800 (22/12)
Baker Elec. 22 ½ 3 (18/12)
Booth (Charles) 20 ¼ (22/12)
Calder Water Board 5pcDb. £25pc. 8½pc (21/12)
Cannon Street Inv. 5 (24/12)
Celtic Basin Oil Expl. 220 3
Central Equipment 360 2
Channel Hotels Props. 13 ⅛ (24/12)
C.I.C. Inv. ¼
C.I.C. Inv. ½ ⅝
Coghlans Props 48 53 (18/12)
Com. Bank of Wales 77 80 (23/12)
Dawson (Wm.) 80 ⅛ (21/12)
De Groot (Abraham) 240 (29/12). New 40 (29/12)
Dollar Land 28 (22/12)
Eldridge Pope A 297 (21/12)
Flight Spares 230 5 (22/12)
Galaha Ceylon Tea 12 (18/12)
Gibson (William) 4½pcPf. 15 20 (21/12)
GRA Prop. Tst. 15
Guernsey Gas Light 400 (21/12)
Guernsey (States) 3½pcLn. £44pc (21/12)
Heavitree Brewery 820 30 (23/12)
Hemerdon Mng. Smelting 62 5 (24/12)
Lampa Secs. 3 (24/12)
Le Riches Stores 230
Lifeguard Ass. 297 300
Manx and Overseas 10 ½ (22/12)
Manx Petroleum 32¾ 3 (22/12)
Mapalagama Rubber 30 ¼ (21/12)
NMW Computers 130 2
Norton Villiers Triumph ½ (23/12)
ORE 210 5 (21/12)
Oldham Ests. 137 (23/12)
PMPA Ins. 46*
Plantation and Gen. Inv. 64 (29/12). Do. 12pcLn 1987-88
Rangers FC £18 (23/12)
Ricardo Consulting Eng. 10pcPf. 58 62
Roche Plant 19¾ 20 (23/12)
Rotaco 7 8 (23/12)
Rowe Evans Inv. 37 (24/12)
Scottish Ceylon Tea 38 9 40 1 (21/12)
Sheraton Sec. Intnl. 12
Southern Newspapers 155 60
SPO Minerals 2½ (21/12)
Star Offshore Services 50 (21/12)
3M UK 43pcPf. 40
Tisbury Brewery 10 5 (24/12)
Trident TV 59½ 60 (18/12)
Yelverton Inv. 27½ 8

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

American Oil Field Systems (20p) 128 30
Aran Energy (Ir£0.20) 24⅞ 5½ 6 8 9
Atlantic Resources (Ir£0.25) 199⅞ 200
Cambridge Pet. Royalties (20p) 290 5
Candecca Resources (10p) 219 20 1 2 3
Eglinton Oil and Gas (Ir£0.20) 80
Kenmare Oil Expl. (Ir£0.25) 16
Marinex Pet. (10p) 113 5 8
Moray Firth Expl. (£1, 50p pd) 107
Steaua Romana (British (25p) 63
Sun Oil Co. (UK) (1p) 151½

(By permission of the Stock Exchange Council)

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

NOTES

MONEY MARKETS

London clearing bank base *lending rates* 14½ *per cent* (since December 4)

The Treasury bill rate fell by 0.0393 per cent at Thursday's tender to 14.7813 per cent and the minimum accepted bid was unchanged at £96.305. Bids at that level were met as to about 45 per cent and above in full. The £100m of bills on offer attracted bids of £163.595m, and all bills offered were allotted. Next week a further £100m of bills will be on offer, replacing a similar amount of maturities.

The Bank of England forecast a shortage of £200m in the money market yesterday with bills maturing in official hands and a net take up of Treasury bills draining £150m from the system and bills for repurchase by the market accounting for £240m. On the other hand Exchequer transactions added a net £90m and there was a fall in the note circulation of £100m. The forecast was revised at noon to a shortage of £250m. The Bank gave assistance in the morning of £229m, comprising purchases of eligible bank bills in band 1 (up to 14 days of £84m at 14⅝ per cent and in band 2 (15-33 days) £11m of local authority bills at 14⅝ per cent and £134m of eligible bank bills at 14⅝-14½ per cent. The Bank provided additional help in the afternoon, buying £38m of eligible bank bills in band 2 at 14⅝ per cent.

THE POUND SPOT AND FORWARD

Dec 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.9040-1.9180	1.9090-1.9110	0.35-0.25c pm	1.88	0.80-0.70 pm	1.57
Canada	2.2600-2.2750	2.2650-2.2670	0.20-0.05c pm	0.66	0.30-0.10 pm	0.35
Nethnd.	4.69-4.74	4.69-4.71	1⅞-1⅜c pm	4.15	5½-5 pm	4.47
Belgium	73.20-73.90	73.30-73.50	30-60c dis	−7.36	55-95 dis	−4.09
Denmark	13.90-14.05	13.93-13.95	3¾-2¼ore pm	2.80	5¼-3¾ pm	1.27
Ireland	1.2050-1.2130	1.2070-1.2090	0.24-0.34p dis	−2.88	0.75-0.96dis	−2.83
W. Ger.	4.28-4.32	4.28½-4.29½	1⅞-1⅜pf pm	4.54	5¼-4¾ pm	4.56
Portugal	124.00-125.25	124.25-124.75	25-190c dis	−10.36	75-410 dis	−7.79
Spain	183.50-185.50	183.50-184.00	10-40c dis	−1.63	55-105 dis	−1.74
Italy	2,288-2,302	2,291-2,293	12-16 lire dis	−7.33	45-50 dis	−8.29
Norway	11.04-11.14	11.06-11.08	2⅜-¾ore pm	1.69	5⅜-3⅞ pm	1.58
France	10.86-10.93	10.87-10.89	¼c pm-¾ dis	−0.27	3½-4½ dis	−1.47
Sweden	10.51-10.59	10.53-10.55	2¼-1¾ore pm	1.99	8-7 pm	2.85
Japan	416-423	419-420	3.45-3.05y pm	9.30	9.15-8.60 pm	8.46
Austria	30.00-30.20	30.02-30.12	14½-9½gro pm	4.78	43-33 pm	5.05
Switz.	3.42-3.45	3.43-3.44	2¼-1⅝c pm	6.55	5⅜-4⅞ pm	5.97

Belgian rate is for convertible francs. Financial franc 81.00-81.10. Six-mont forward dollar 0.85-0.75c pm, 12-month 1.05-0.85c pm.

EXCHANGES AND BULLION

Trading was quiet ahead of the New Year in currency markets on Thursday. The dollar showed little overall change in featureless trading, closing at DM 2.2470 against the D-mark compared with DM 2.2510 on Wednesday and SwFr 1.8000 in terms of the Swiss franc against SwFr 1.7975. It was also slightly firmer against the Japanese yen Y219.70 against Y219.50 previously but finished down against the French franc at FFr 5.70 from FFr 5.7175. Euro-dollar rates were mostly easier with the one-month rate at 13⅛ per cent against 13⅜ per cent and the three-month rate at 13⅜ per cent compared with 13½ per cent. On Bank of England figures, the dollar's trade weighted index fell to 106.9 from 107.2.

Sterling finished unchanged on a trade weighted basis, with its Bank of England index closing unchanged at 90.9, having stood at 90.9 at noon and 91.0 in the morning. Against the dollar it opened at $1.9150-$1.9180, but eased to $1.9040 before coming back to close at $1.9090-1.9110, a fall of 30 points from Wednesday's close. Against the D-mark it eased to DM 4.29 from DM 4.3050 and SwFr 3.4350 from SwFr 3.4400. It was also lower against the Japanese yen at Y419.5 from Y420.

GOLD

	Dec. 31		Dec. 30	
Gold Bullion (fine ounce)				
Close	$399⅛-400½	(£209⅛-209⅝)	$397¾-398¾	(£209-209½)
Opening	$399⅛-400½	(£209⅛-209⅝)	$396-397	(£208¼-208¾)
Morning fixing	$400	(£208.746)	$397.25	(£208.804)
Afternoon fixing	—	—	$397.50	(£208.626)
Gold Coins				
Krugerrand	$412½-413½	(£215½-216)	$409½-410½	(£215-216½)
1/2 Krugerrand	$212¼-212¾	(£111-111¼)	$211-212	(£110¾-111¼)
1/4 Krugerrand	$108-109	(£56½-57)	$107-108	(£56½-57)
1/10 Krugerrand	$44-45	(£23-23½)	$44-45	(£23-23½)
Mapleleaf	$413½-414½	(£216-216½)	$410½-411½	(£215½-216)
New Sovereigns	$98¼-98¾	(£51¼-51¾)	$97¾-98¼	(£51½-51¾)
King Sovereigns	$112-113	(£59½-59)	$113-114	(£59½-59¾)
Victoria Sovs	$112-113	(£58½-59)	$113-114	(£59½-59¾)
French 20s	$97-107	(£50½-56)	$96-106	(£50½-55½)
50 pesos Mexico	$497-500	(£259¾-261¼)	$492-495	(£258½-260)
100 Cor. Austria	$390-393	(£203¼-205½)	$386-389	(£203¾-204½)
$20 Eagles	$510-515	(£265½-269¼)	$509-514	(£267¼-270)

EXCHANGE CROSS RATES

Dec. 31	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Belgian Franc
Pound Sterling	1	1.910	4.290	419.5	10.88	3.435	4.700	2292.	2.266	73.40
U.S. Dollar	0.524	1.	2.246	219.6	5.696	1.798	2.461	1200.	1.186	38.43
Deutschemark	0.233	0.445	1.	97.79	2.536	0.801	1.096	534.3	0.528	17.11
Japanese Yen 1,000	2.384	4.553	10.23	1000.	25.94	8.188	11.20	5464.	5.402	175.0
French Franc 10	0.919	1.756	3.943	385.6	10.	3.157	4.320	2107.	2.083	67.46
Swiss Franc	0.291	0.556	1.249	122.1	3.167	1.	1.368	667.2	0.660	21.37
Dutch Guilder	0.213	0.406	0.913	89.26	2.315	0.731	1.	487.7	0.482	15.62
Italian Lira 1,000	0.436	0.833	1.872	183.0	4.746	1.499	2.051	1000.	0.989	32.02
Canadian Dollar	0.441	0.843	1.893	185.1	4.801	1.516	2.074	1011.	1.	32.39
Belgian Franc 100	1.362	2.602	5.845	571.5	14.82	4.680	6.403	3123.	3.087	100.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Dec. 31	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	14½-14¾	12⅝-12⅞	9-11	10-10¼	4-4¼	10⅜-10½	14½-15¼	17-20	15½-17½	5-5½
7 days' notice	14½-14¾	12¾-13	9-11	10¼-10½	4¾-5¼	10⅜-10⅝	14½-15½	18½-21½	17-20	5¾-6
Month	15⅛-15½	13-13¼	15⅝-15¾	10⅝-10⅞	8¾-8⅞	10⅜-10⅝	15-15½	21½-23½	20½-24	6½-6¾
Three months	15⅜-15⅝	13½-13¾	15⅝-15¾	10⅝-10⅞	9⅛-9¼	10⅜-10⅝	16¾-16⅞	23½-24½	20-22½	6⅜-6⅝
Six months	15¾-15⅞	14⅛-14⅜	16⅝-16¾	10⅞-11	9⅛-9⅜	10⅜-10⅝	17½-18½	23½-24½	20-21½	6⅜-7
One Year	15¼-15½	14⅜-14⅝	16⅝-16¾	10⅞-11⅛	8⅞-8⅞	10⅜-10⅝	18½-18⅞	24-25	18-19½	7-7½

SDR linked deposits: one month 12¾-12⅞ per cent; three months 12⅞-13⅛ per cent; six months 13⅛-13⅜ per cent; one year 13⅛-13⅜ per cent.

ECU linked deposits: one month 14⅛-14½ per cent; three months 14⅛-14⅜ per cent; six months 14⅜-15⅛ per cent; one year 14½-14⅞ per cent.

Asian $ (closing rates in Singapore): one month 13⅛-13⅜ per cent; three months 13⅜-13⅝ per cent; six months 14⅞-15 per cent; one year 14⅜-14⅝ per cent. Long-term Eurodollar two years 15-15¼ per cent; three years 15⅛-15⅜ per cent; four years 15¼-15½ per cent; five years 15½-15¾ per cent nominal closing rates.

The following nominal rates were quoted for London dollar certificates of deposit: one month 13.05-13.15 per cent; three months 13.35-13.45 per cent; six months 13.90-14.00 per cent; one year 14.05-14.15.

FT LONDON INTERBANK FIXING (11.00 a.m. DECEMBER 31)

3 months U.S. dollars		6 months U.S. dollars	
bid 13 3/4	offer 13 7/8	bid 14 13/16	offer 14 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Dec. 31 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ◊	Eligible Bank Bills ◊	Fine Trade Bills ◊
Overnight	—	13¼-16	14½-14¾	—	—	14½-14⅞	13-14½	—	—	—
2 days notice	—	—	15	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14½-15	15-15⅛	—	—	15⅛-15⅜	14¼-14⅜	—	—	—
One month	15⅛-15¼	15⅛-15⅛	15⅜	16⅛-16¼	15⅝	15⅝	14¼-14½	14⅜-14½	14⅝	15⅝
Two months	15⅝-15½	15⅛-15⅜	—	16⅜-16	15⅝	15⅞	14½	14½-14⅝	14⅝-14⅝	15⅝
Three months	15⅝-15⅝	15¾-15⅝	15⅝	16¼-15⅞	15¾	16	14½	14⅝-14⅝	14⅝-14⅝	15⅝
Six months	15⅝-15⅞	15⅝-15⅝	15⅝	15½-15¼	15¾	—	—	—	14⅛	15¼
Nine months	15⅝-15⅜	15½-15¾	—	15⅝-15⅜	15⅝	—	—	—	—	—
One year	15⅝-15¼	15⅜-15⅝	15⅜	15⅝-15⅜	15⅝	—	—	—	—	—
Two years	—	—	15⅜	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 15⅜ per cent; four years 15⅝ per cent; five years 15⅝ per cent. ◊Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14½ per cent; four months trade bills 14⅝-14⅝ per cent.

Approximate selling rate for one month Treasury bills 14⅜-14⅜ per cent; two months 14⅝-14⅝ per cent, three months 14⅝-14⅝ per cent. Approximate selling rate for one month bank bills 14½ per cent; two months 14⅝-14⅝ per cent, and three months 14⅝-14⅝ per cent: one month trade bills 15⅜ per cent; two months 15⅜ per cent; three months 15⅜ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15½ per cent from January 1 1982. Clearing Bank Deposit Rates for sums at seven days' notice 12⅛-12½ per cent. Clearing Bank Rates for lending 14½ per cent. Treasury Bills: Average tender rates of discount 14.7813 per cent.

CURRENCY RATES

Dec. 30	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.611313	0.567694
U.S. $	12	1.16174	1.07975
Canadian $	15.00	1.37515	1.27854
Austria Sch.	6¾	18.4542	17.1357
Belgian F.	15	44.6689	41.5058
Danish Kr.	11	8.55551	7.95239
D mark	7½	2.63425	2.44565
Guilder	9	2.89273	2.68643
French Fr.	9½	6.67768	6.19455
Lira	19	1403.67	1304.61
Yen	5½	256.628	237.352
Norwgn. Kr.	9	6.80199	6.29497
Spanish Pts.	8	113.212	105.168
Swedish Kr.	11	6.47205	6.00114
Swiss Fr.	6	2.09310	1.95004
Greek Dr'ch.	20½	—	62.2265

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 31	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7572	41.7467	+2.43	+1.48	±1.5358
Danish Krone	7.91117	7.94077	+0.37	−0.58	±1.6412
German D-Mark	2.40989	2.44436	+1.43	+0.48	±1.1077
French Franc	6.17443	6.20177	+0.44	−0.51	±1.3733
Dutch Guilder	2.66382	2.68309	+0.72	−0.23	±1.5063
Irish Punt	0.684452	0.686819	+0.35	−0.60	±1.6688
Italian Lira	1300.67	1303.57	+0.22	+0.17	±4.1229

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for December 31 .... 0.555523

OTHER CURRENCIES

Dec. 31	£	$		£ Note Rates
Argentina Peso	20,008-20,208†	10,550-10,600†	Austria	30.30-30.30
Australia Dollar	1.6930-1.6950	0.8865-0.8870	Belgium	79.50-81.50
Brazil Cruzeiro	242.98-243.98	127.16-127.80	Denmark	13.94-14.06
Finland Markka	8.315-8.336	4.3550-4.3600	France	10.37-11.02
Greek Drachma	107.450-110.798	57.00-57.40	Germany	4.29-4.34
Hong Kong Dollar	10.778-10.798	5.65-5.66	Italy	2290-2360
Iran Rial	150.50*	79.00*	Japan	422-427
Kuwait Dinar (KD)	0.536-0.542	0.2814-0.2818	Netherlands	2.7050-2.7550
Luxembourg Fr.	73.30-73.50	38.41-38.43	Norway	11.06-11.16
Malaysia Dollar	4.2690-4.2790	2.2350-2.2450	Portugal	124-133
New Zealand Dlr.	2.3165-2.3185	1.2125-1.2135	Spain	185-195
Saudi Arab. Riyal	6.52-6.56	3.4200-3.4225	Sweden	10.55-10.65
Singapore Dollar	3.8930-3.9020	2.0370-2.0470	Switzerland	3.42½-3.46½
Sth. African Rand	1.8270-1.8300	0.9565-0.9585	United States	1.90-1.92
U.A.E. Dirham	7.00-7.06	3.6700-3.6750	Yugoslavia	90-95

† Now one rate. * Selling rate.

U.K. CONVERTIBLE STOCKS 2/1/82

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates‡	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.◊	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv. 2002	9.60	259.50	333.3	80-97	4.7	2.4	−2.7	−6 to 11	16.8	36.6	26.2	+28.9
Hanson Trust 6½pc Cv. 88-93	3.02	162.50	57.1	76-82	4.0		−2.6	−11 to 4	0.0	0.0	0.0	−2.6
Hanson Trust 9½pc Cv. 01-06	42.70	109.50	35.7	85-01	9.2	9.1	5.0	3 to 27	82.4	76.1	−6.1	−11.1
Slough Estates 10pc Cv. 87-90	5.31	222.50	187.5	78-84	4.5		−5.8	−8 to 5	18.3	17.4	−0.8	−5.0
Slough Estates 8pc Cv. 91-94	24.88	104.00	78.0	80-91	7.7	7.4	5.8	5 to 27	28.2	43.8	15.0	−10.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◊ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⇔ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

New Year hopes of slow economic recovery continues to lend support and outweighs cloudy labour outlook

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Dec 7	Dec 17	Dec 22	Jan 4
Dec 23	Jan 7	Jan 8	Jan 18
Jan 11	Jan 21	Jan 22	Feb 1

* "New time" dealings may take place from 9.30 am two business days earlier.

The Old Year came to an end on Thursday with London stock markets maintaining their recent firmer trends as persisting hopes of the emergence during 1982 of some economic recovery continued to outweigh anxiety about the gloomy labour relations outlook with its threat of industrial strife within the next week or so; the overnight failure of the Acas talks aimed at avoiding the two-day rail strike called for January 13 and 14 thus had no apparent impression on sentiment.

With year-end book-balancing by major institutions completed, the volume of business in both main investment sectors was again extremely small. Sporadic speculative interest was noted in a handful of situation issues, particularly **Rank Organisation**, which responded to revived *rumours of bid possibilities* and/or further asset sales. Trading announcements were virtually non-existent, but **Euroflame** fell 4 to 10p on the company's *failure to meet its profits* forecast.

The equity tone derived some encouragement from Wall Street's overnight rise. Illustrating the marginal nature of most equity gains, the FT Industrial Ordinary share index was 1.8 up at its best at noon before closing at 530.4 for a net rise of 1.6. This measure was 55.9, or 8.5 per cent, up over the year during which it ranged between 446.0 and its all-time high of 597.3 reached at the end *of April.*

Government stocks closed a disappointing year displaying a slightly more confident tone. Thursday's gains among medium and longer-dated issues largely reflected the addition of interest accruing over the extended week-end holiday, but selected low-coupon shorts went higher despite next week's issue of £500m of Treasury 3 per cent 1987, payable in full at a minimum tender price of £64½.

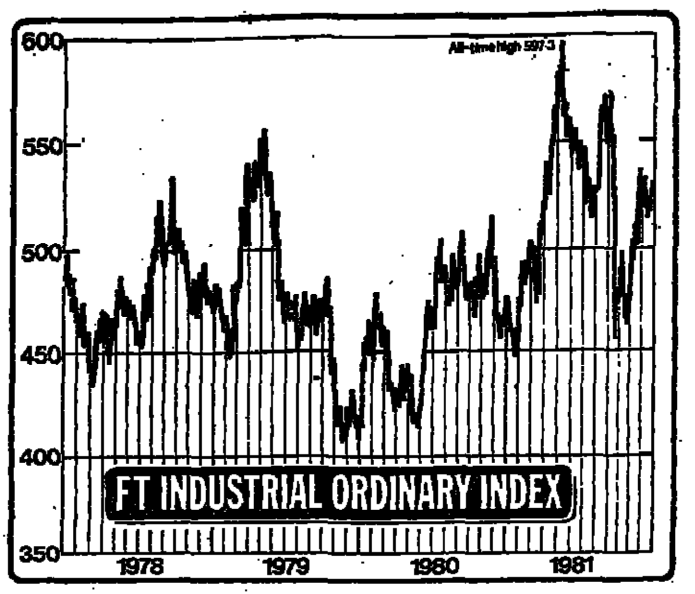
Total contracts completed in Traded options amounted to 835 *for a short* week's average of 795. The majority of Thursday's business was transacted in calls of which Imperial recorded 231 trades, with 170 struck in the February 70's, while **P & O** Deferred returned to favour and attracted 221 calls.

Banks up again

The major clearing Banks took the previous day's good gains a stage further when favourable Press comment attracted renewed support. **Lloyds** put on 8 afresh to 430p and **Midland** improved 5 more to 350p, while **Barclays** added 4 to 452p. **NatWest** touched 408p before closing only a penny dearer on balance at 403p. Reflecting the sale of its wholly-owned subsidiary Alenco to Parker Hannifin of the U.S. for around £5m, **Charterhouse** hardened a couple of pence to 78p.

Quietly firm conditions prevailed in Buildings. **Blue Circle** edged up 4 more to 506p, while **BPB Industries**, 326p, and **Tarmac**, 402p, added a couple of pence apiece. *Wimpey* attracted occasional support and improved 2 to 96p. Elsewhere, demand in a thin market lifted *Aberthaw Cement 12 to 372p.* Buyers also showed interest in **Tilbury Contracting**, 5 up at 290p, and **Newarthill**, a like amount to the good at 440p. Gains of a couple of pence were marked against **SGB**, 134p, **Fairclough Construction**, 129p, and **Crouch Group**, 102p. **HAT Group** *gained* the turn to 71p and **Pochins** 5 to 195p. After the previous day's jump of 13 on revived bid hopes, **John Finlan** touched 146p before closing unchanged on balance at 145p.

Small buying was again forthcoming for **ICI** which hardened 2 for a three-day gain of 12 to *292p. Among the smaller-priced* Chemical issues, **British Benzol** added 2 to 20p and **British Tar** a penny to 36p, while **Arrow**, a rising market recently on speculative buying, improved a penny more to 44p.



Mothercare dull again

Leading Stores retained a firmer bias. **Burton** rose 3 to 134p, with the **Warrants** 4 to the *good at 44p, while* **Gussies "A"** added a couple of pence more to 430p. **Mothercare**, on the other hand, *continued to react to* adverse comment and eased 5 for a two-day fall of 10 at 160p, but proposed merger partners **Habitat**, 115p, recovered *Wednesday's fall of 2.*

Interest in Electricals centred on secondary issues. Press comment highlighting the company's bid potential helped **Chloride** to rise 3 to 28p, while **Suter**, 68p, and the **Deferred**, 58p, hardened 2 apiece, after an investment recommendation. **Ward and Goldstone** closed 2 up at 114p, after 117p, following the announcement that the group's *Irish interests are up for sale.* **Farnell** put on 5 to 543p as did **Ferranti**, to 625p, while **Rediffusion** gained 4 to 174p. The leaders continued quietly firm. **GEC** added 4 afresh to 829p and **Thorn EMI** 3 to 458p. **Philips' Lamps** added 4 at 428p; with Sony and Matsushita, the group is on the verge of agreeing a common standard for a new video cassette to be used in portable cameras.

Leading Engineers rarely strayed far from overnight closing levels with **Tubes** edging up 2 more to 130p on the closing of **British Aluminium's** Invergordon smelter; BA shares closed similarly dearer at 60p, after *having briefly touched 30p on* Tuesday's announcement. Secondary issues encountered fresh selective demand encouraged by *recovery hopes.* **Prestwich Parker** were outstanding with a rise of 6 to 30p, while **Westland**, reflecting a broker's investment recommendation, put on 5 more to 115p. Fresh demand lifted **United Engineering** 8 to 270p and **Whessoe** 4 to 167p. Gains of 4 were also recorded in **Davies and Metcalfe "A,"** 44p, and **Stothert and Pitt**, 69p. **Babcock International** edged up 2 further to 91p, while **Expanded Metal**, *a recent speculative favourite,* firmed 3 to 62p. Against the trend, **United Wire** turned *reactionary at 87p, down 5, after* the company's statement on the recent strength of the share price, while **Jenks and Cattell** *eased 2 for a two-day drop of 18* to 42p after declaring the offer for Elliott Group unconditional.

Leading Foods held close to overnight levels, but selected secondary issues made fresh progress. **Watson and Philip** put on 5 for a two-day gain of 16 to 59p in response to good annual results, while **Cullen's** added 3 to 228p on news that Lennons had acquired a 5¼ per cent stake in the ordinary shares. Bid hopes continued to buoy **Fitch Lovell**, up 2 more at 76p.

Renewed demand in a thin market lifted **Kennedy Brookes** 5 to 153p in an otherwise featureless Hotel sector.

Rank Org. firm

The last trading session of the year ended with numerous features in miscellaneous industrials. **Rank Organisation** stood out among the leaders, rising 6 for a two-day gain of 12 to 182p, after 184p, on continuing bid and/or asset sale hopes; **A. Kershaw** added 15 in sympathy to 260p. **Bowater** put on 4 to 222p in response to an investment recommendation, while **Reed International** closed a similar amount dearer at 242p. Elsewhere, **Euroflame** fell 4 to a 1981 low of 10p following the dismal half-year statement and **Philip Harris** dipped 10 more to *102p, after 98p, on further consideration of disappointing* interim results. Still excited by **Austin Reed's** acquisition of a near-7 per cent stake in the company, **Gieves** jumped 6 for a *two-day advance of 11 to 37p.* **Sangers** put on 3 to 40p on the announcement that Mr C. Morris has acquired a near-6 per cent stake in the group, while **J. Bibby** gained 5 to 315p following *Press comment.* News that its Townsend Thoresen subsidiary is to open a chain of car sales, accessories and service centres left **European Ferries** a few pence better at 76p, while **BET Deferred** added 7 to 142p on buying ahead of interim figures due later this month. **Peter Black**, with interim figures scheduled for Thursday, improved 3 more to 223p. Similar improvements were seen in *Gestetner "A," 51p,* **Halma**, 83p, **Rolfe and Nolan**, 53p, and **UKO International**, 33p. Profit-taking clipped 8 from **Sidlaw**, at 242p, and 5 from **Hoover "A,"** at 78p.

Holiday concerns continued to draw strength from reports of increased bookings, *Horizon* **Travel** firming 6 for a two-day gain of 16 to 288p with **Saga** adding 14 to 144p and **Intasun** 3 to 100p. Further demand in front of next Tuesday's preliminary results left **Pleasurama** up another 5 at 302p. **D. M. Lancaster** encountered support and firmed 2 to 23p.

Oils ease

Oil shares were inclined easier in extremely quiet trading, underlying sentiment not being helped by reports of an intensification in the petrol price war. **British Petroleum** and **Shell** both gave up a couple of pence to *316p and 400p respectively in* the leaders. **Lasmo** drifted off to close 7 cheaper at 423p. Among the speculative issues, **Flair Resources** improved 5 to 190p and **Pict Petroleum** advanced 10 to 165p.

Among Financials, further demand lifted **Exco** 5 more to 190p. Gains of 5 were also marked against **R. P. Martin**, 315p, and **Aitken Hume**, 155p, but **Mercantile House** closed that *amount cheaper at 430p.*

P & O Deferred, up 4 at 128p in response to Press mention, provided the main source of interest in the Shipping sector. Other small gains included **Walter Runciman**, 3 higher at 98p, and **Ocean Transport**, a couple of pence dearer at 109p.

Movements in Textiles usually favoured holders. Still drawing strength from the 5.02 per cent stake taken by the Kuwait Investment Office, **Coats Patons** improved 4½ to 69½p; sentiment was additionally buoyed by a broker's circular. **Tootal** and **Lister** both rose 1½ to the common level of 33p, while renewed support was evident for **Sirdar**, 4 dearer at 121p.

Among Plantations, **New Sylhet** were marked 20 higher *at 195p following a* takeover approach.

Golds edge

Mining markets were very quiet in pre-holiday trading, with the bullion price giving no clear lead. Gold traded at $400 all day, and the Gold Mines index edged downwards by 1.4 to 307.5.

Among the heavyweights, **Western Holdings** lost ¾ to £23¼, while **Randfontein Estates**, £31½, **Winkelhaak**, £14½ and **Vaal Reefs**, £35, all eased ¼.

Welkom stood out among the lower-priced issues with a gain of 9 to 550p.

South African Financials were a little more actively traded, and **Anglo American** finished 5 to the good at 675p. **Gold Fields of South Africa** lost ¼ to £38¼, and "**Amgold**" closed ¼ weaker at £43. **UC Investment** *lost 10 to 850p.* The coal-producing **Transvaal Consolidated Land** gained ½ to £26, while the antimony producer **Consolidated Murchison** closed 10 better at 260p.

Elsewhere, **Northgate** put on 5 to 250p, **Minorco** were in some demand but finished unchanged on balance at 395p and **Patino** lost 7 to 815p.

Tins showed some good rises in very thin trading, with **Gopeng**, 600p, **Hongkong Tin**, 410p, and **Killinghall**, 610p, all 10 to the good. Dealers attributed the rises to Far Eastern takeover hopes. In contrast, **Tronoh** gave up 5 to 255p.

Australians held quietly steady in line with overnight Sydney and Melbourne markets, but very little business developed in London. **Gold Mines of Kalgoorlie** responded to the slightly *firmer bullion price and gained 5* to 365p, while **Meekatharra Minerals**, a strong market of late, gave up 10 to 505p on profit-taking. The leaders were mostly unchanged.

MONTHLY AVERAGES OF STOCK INDICES

—	December	November	October	September
Financial Times				
Government Securities	62.97	65.43	61.16	62.80
Fixed Interest	63.67	65.73	62.46	64.57
Industrial Ordinary	522.8	511.06	474.8	525.0
Gold Mines	325.6	325.7	380.9	396.1
Total Bargains	14,087	17,472	15,995	18,941
F.T.—Actuaries				
Industrial Group	289.10	283.04	254.97	289.48
500 Share	326.74	319.48	286.80	320.64
Financial Group	253.45	253.46	229.38	255.68
All-Share (750)	310.04	304.89	286.50	306.65
	High		Low	
Industrial Ordinary	533.6 (7th)		518.5 (15th)	
All-Share	314.37 (7th)		306.11 (14th)	

FINANCIAL TIMES STOCK INDICES

	Dec. 31	Dec. 30	Dec. 29	Dec. 24	Dec. 23	Dec. 22	A year ago
Government Secs.	62.37	62.36	62.37	62.06	62.03	61.99	68.80
Fixed Interest	63.12	63.11	63.00	63.08	63.08	63.05	70.44
Industrial Ord.	530.4	528.8	524.0	518.1	517.7	519.8	474.5
Gold Mines	307.5	308.9	310.3	318.7	314.4	322.9	407.3
Ord. Div. Yield	5.65	5.67	5.72	5.78	5.79	5.79	7.51
Earnings, Yld. % (full)	9.91	9.95	10.04	10.16	10.16	10.14	16.80
P/E Ratio (net) (*)	12.88	12.84	12.72	12.58	12.57	12.60	7.30
Total bargains	11,428	9,140	8,281	9,301	12,780	14,552	13,774
Equity turnover £m.	—	65.46	36.41	50.85	79.95	149.77	48.47
Equity bargains	—	8,612	5,578	4,187	9,258	13,162	9,740

10 am 529.4. 11 am 529.8. Noon 530.6. 1 pm 530.3. 2 pm 530.1. 3 pm 529.9.

Latest Index 01-246 8026.

*Nil = 11.51.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS — S.E. ACTIVITY

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (28/5)	60.17 (26/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (28/5)	61.62 (26/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/9)	262.5 (29/6)	558.9 (22/9/80)	43.5 (26/10/71)

	Dec. 30	Dec. 29
—Daily		
Gilt Edged Bargains	65.6	82.7
Equities Bargains	55.8	36.1
Value	134.3	73.5
5-day Avrge.		
Gilt-Edged Bargains	83.4	97.6
Equities Bargains	52.9	56.9
Value	155.5	172.1

NEW HIGHS AND LOWS FOR 1981/2

The following quotations in the Share Information Service on Thursday attained new Highs and Lows for 1981.

NEW HIGHS (24)

BRITISH FUNDS (3)
Treas. 3pc 1982 — Treas. 8¼pc 1982
Treas. Variable 1982

COMMONWEALTH LOANS (1)
Australia 5½pc '81-82

BUILDINGS (1)
BPB Inds.

ELECTRICALS (4)
Cable Wireless — Humberside Elec.
Farnell Elec. — Ward Goldstone

ENGINEERING (3)
Cronite Group — Utd. Eng.
Moss Eng.

FOODS (1)
Watson Philip

HOTELS (1)
Kennedy Brookes

INDUSTRIALS (4)
Bibby (J.) — Martin-Black
Black (P.) — Vinten

LEISURE (3)
Anglia TV A — Trident TV A
HTV N-vtg.

NEWSPAPERS (1)
Link House

PROPERTY (1)
Fed Land

TRUSTS (1)
Exco Int.

NEW LOWS (7)

ENGINEERING (2)
Brown (J.) — Jenks Cattell

INDUSTRIALS (1)
Euroflame

OIL AND GAS (2)
Ldn. Am. Engy. N/V — Do. Invs.

MINES (2)
Sabina — Renison Dfd.

RISES AND FALLS

	Rises	Falls	Same	Rises	Falls	Same
British Funds	62	7	23	185	9	81
Corpns. Dom. and Foreign Bonds	9	1	62	38	6	174
Industrials	275	97	985	841	283	2,947
Financial and Props.	92	34	384	273	98	1,158
Oils	19	28	80	74	54	193
Plantations	—	—	22	5	4	56
Mines	19	32	117	80	108	316
Others	24	47	85	91	158	215
Totals	500	246	1,738	1,585	722	5,140

ACTIVE STOCKS

THURSDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks on Thursday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Bowater	222	+ 4	P. & O. Defd.	128	+ 4
Brunning	90	—	Rank Organisation	182	+ 6
Exco	190	+ 5	Stothert & Pitt	69	+ 4
Gieves	37	+ 6	Ward and Goldstone	114	+ 2
Harris (Ph)	102	−10	Westland	115	+ 5

Based on bargains recorded in SE Official List

WEDNESDAY'S ACTIVE STOCKS

Stock	No. of price changes	Wednesday's closing price pence	Day's change	Stock	No. of price changes	Wednesday's closing price pence	Day's change
Brit Aluminium	14	58	+10	Hanson Trust	9	290	− 3
GEC	13	825	—	Thorn EMI	9	455	—
Birmid Qualcst	11	25½	+ 3	Barclays Bk	8	448	+18
ICI	11	290	+ 4	Boots	8	196	+ 1
Cable & Wire	10	213	+ 3	GUS A	8	428	+ 3
Tube Invs	10	128	+ 8	Royal Ins	8	335	+ 3
Finlay (J.)	9	97	+ 1	Shell Trans.	8	402	+ 2

5-DAY ACTIVE STOCKS

Based on bargains over the three-day period ending Wednesday

Stosk	No. of price changes	Weds. closing price pence	Change on week	Stosk	No. of price changes	Weds. closing price pence	Change on week
Bank of Scot.	40	515	−15	Hanson Tst	25	290	− 5
GEC	37	825	+ 8	Cable & Wire	23	213	+ 3
Brit Aluminium	27	58	+13	Racal Elect.	23	433	+ 3
ICI	27	290	+10	Euro Ferries	22	73	+ 1
Shell Trans	27	402	+10	Ryl Bk Scot	22	194	− 1
RTZ	26	443	—	Barclays Bk	21	448	+20
Tube Invs.	26	128	+12	Thorn EMI	21	455	+ 5

LEADERS AND LAGGARDS

Percentage changes over 1981.

Contracting, Construction	+32.14	Newspapers, Publishing	+12.90
Electricals	+31.38	Insurance (Life)	+ 9.24
Health and H'sehold Products	+31.01	Financial Group	+ 8.67
Tobaccos	+30.73	500 Share Index	+ 7.88
Insurance Brokers	+30.53	All-Share Index	+ 7.24
Other Industrial Materials	+30.19	Other Groups	+ 5.35
Textiles	+25.49	Insurance (Composite)	+ 5.30
Capital Goods	+24.28	Merchant Banks	+ 5.28
Food Manufacturing	+24.86	Other Consumer	+ 4.09
Engineering Contractors	+23.49	Mining Finance	+ 3.60
Building Materials	+22.64	Brewers and Distillers	+ 3.50
Metals and Metal Forming	+21.76	Motors	+ 1.95
Leisure	+20.41	Property	+ 1.77
Hire Purchase	+19.99	Chemicals	+ 1.67
Office Equipment	+18.62	Investment Trusts	+ 1.43
Food Retailing	+18.48	Stores	− 2.70
Banks	+16.30	Shipping and Transport	− 3.31
Industrial Group	+16.23	Overseas Traders	− 5.75
Packaging and Paper	+15.79	Discount Houses	−14.99
Consumer Group	+13.06	Oils	−19.92
Mechanical Engineering	+13.04	Gold Mines Index	−24.54

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs Dec 31 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Dec 30 Index No.	Tues Dec 29 Index No.	Thurs Dec 24 Index No.	Wed Dec 23 Index No.	Year ago (approx.) Index No.	1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (210)	358.85	+0.5	9.70	4.43	12.80	357.11	354.40	352.25	351.36	289.91	380.30 (28/8)	272.28 (15/1)	380.30 (28/8/81)	50.71 (13/12/74)
2	Building Materials (25)	301.89	+0.4	14.99	5.69	7.62	300.75	297.65	295.78	295.56	246.56	334.34 (1/5)	236.82 (13/1)	334.34 (1/5/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	534.42	+0.6	17.58	5.28	6.64	531.11	526.95	526.44	526.51	405.19	610.27 (30/4)	403.39 (8/1)	610.27 (30/4/81)	71.48 (2/12/74)
4	Electricals (30)	1257.81	+0.5	7.24	2.29	17.66	1251.37	1245.54	1235.57	1231.69	972.22	1266.15 (28/8)	888.13 (15/1)	1266.15 (28/8/81)	84.71 (25/6/62)
5	Engineering Contractors (9)	490.87	+0.3	12.98	5.76	8.99	489.16	481.90	480.82	482.61	398.32	512.20 (30/4)	374.44 (20/1)	512.20 (30/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (67)	193.91	+0.7	10.95	5.63	11.65	192.65	190.13	189.05	188.13	172.64	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (12)	167.22	+0.2	8.24	7.28	16.40	166.93	164.99	163.58	164.10	138.18	182.17 (1/5)	127.24 (14/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (21)	93.99	+0.3	—	7.26	—	93.73	93.51	93.30	93.03	92.22	112.76 (1/5)	82.73 (6/11)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	374.19	+0.4	8.70	6.07	14.06	372.63	370.89	369.66	367.91	291.05	405.13 (14/8)	277.55 (15/1)	405.13 (14/8/81)	277.55 (15/1/81)
21	CONSUMER GROUP (196)	269.25	+0.2	13.48	6.14	9.10	268.73	266.73	264.70	264.63	239.29	296.18 (17/8)	227.50 (14/1)	296.18 (17/8/81)	61.41 (13/12/74)
22	Brewers and Distillers (20)	272.42	+0.1	17.15	7.18	6.96	272.09	270.15	269.62	270.32	264.09	325.16 (16/6)	244.42 (13/1)	325.16 (16/6/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	263.58	−0.2	15.76	6.47	7.63	264.04	261.07	260.11	260.04	211.58	277.87 (3/9)	204.17 (14/1)	277.87 (3/9/81)	59.67 (11/12/74)
26	Food Retailing (15)	551.28	+0.3	9.63	3.56	12.57	549.77	546.30	541.28	540.94	471.30	572.90 (3/9)	440.89 (11/3)	572.90 (3/9/81)	54.25 (11/12/74)
27	Health and Household Products (7)	345.96	+0.3	9.04	4.62	13.00	344.97	343.18	340.21	338.87	264.75	363.73 (3/9)	245.38 (14/1)	363.73 (3/9/81)	175.38 (28/5/80)
29	Leisure (24)	420.24	+0.3	9.72	5.23	12.82	418.78	414.17	411.40	411.04	351.48	476.41 (14/8)	327.38 (16/1)	476.41 (14/8/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	479.75	+0.3	12.85	6.28	11.28	478.21	473.85	473.55	473.55	426.37	526.15 (11/5)	414.73 (28/9)	526.15 (11/5/81)	55.08 (6/1/75)
33	Packaging and Paper (13)	132.65	+1.3	15.31	8.12	7.79	130.94	128.18	127.88	127.88	114.57	161.79 (1/5)	108.85 (14/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (46)	240.31	−0.1	12.06	5.62	11.10	240.51	239.79	236.36	236.04	248.60	294.06 (30/4)	211.94 (26/10)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)	156.46	+1.8	10.17	6.34	12.68	153.64	152.75	152.05	151.88	125.17	172.84 (30/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	260.95	+0.4	22.18	9.99	5.18	259.96	257.95	255.42	256.42	199.71	271.22 (28/8)	193.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (14)	247.87	−0.2	7.78	7.29	21.29	248.39	247.12	247.12	247.12	238.08	311.40 (1/5)	229.84 (28/9)	311.40 (1/5/81)	229.84 (28/9/81)
41	OTHER GROUPS (79)	232.39	+0.9	10.98	6.01	11.57	230.41	228.58	227.01	227.03	220.58	249.19 (30/4)	191.89 (28/9)	249.19 (30/4/81)	58.63 (6/1/75)
42	Chemicals (16)	302.88	+0.5	5.99	5.99	26.13	300.51	297.31	292.80	293.12	299.29	320.04 (30/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (4)	120.42	+2.6	15.18	7.31	7.87	117.36	114.68	114.68	113.77	101.58	129.79 (22/4)	92.79 (30/10)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	519.74	+1.9	20.62	7.11	5.77	510.25	508.48	508.90	508.50	536.88	644.76 (24/4)	430.18 (28/9)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (46)	294.90	+0.6	12.37	5.48	9.85	293.12	291.96	291.33	291.53	266.60	314.68 (3/9)	240.93 (28/9)	314.68 (3/9/81)	60.39 (6/1/75)
49	INDUSTRIAL GROUP (487)	294.58	+0.4	11.68	5.46	10.59	293.41	291.20	289.18	288.86	254.96	315.22 (17/8)	241.24 (15/1)	315.22 (17/8/81)	59.01 (13/12/74)
51	Oils (13)	743.56	−0.6	19.15	7.59	5.91	747.95	745.92	730.08	734.15	923.71	923.71 (2/1)	588.96 (28/9)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	330.99	+0.2	13.02	5.84	9.28	330.26	328.05	324.94	324.96	307.84	353.39 (17/8)	276.00 (28/9)	353.39 (17/8/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (119)	255.11	+0.3	—	5.97	—	254.44	251.39	250.52	250.52	236.74	279.45 (1/9)	223.02 (28/9)	279.45 (1/9/81)	55.88 (13/12/74)
62	Banks (6)	287.11	+1.0	31.38	6.58	3.72	284.30	276.27	276.53	276.92	249.46	291.82 (30/11)	220.84 (11/3)	291.82 (30/11/81)	62.44 (12/12/74)
63	Discount Houses (9)	246.71	−0.2	—	8.97	—	247.21	247.16	247.16	247.16	291.90	314.03 (20/3)	227.70 (29/9)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (3)	236.75	−0.2	13.14	7.81	10.54	237.30	237.30	234.94	234.94	197.62	274.53 (25/3)	186.09 (28/9)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (9)	252.10	—	—	6.35	—	252.10	249.87	247.79	247.79	230.69	298.44 (1/9)	222.74 (7/1)	298.44 (1/9/81)	44.88 (2/1/75)
66	Insurance (Composite) (10)	155.05	—	—	8.64	—	155.05	154.24	153.19	153.39	148.75	188.09 (1/9)	142.06 (19/1)	188.09 (1/9/81)	43.96 (13/12/74)
67	Insurance Brokers (8)	417.13	—	11.16	5.83	12.13	417.13	414.63	410.73	408.31	319.51	443.91 (11/9)	294.21 (20/1)	443.91 (11/9/81)	65.86 (16/12/74)
68	Merchant Banks (12)	156.03	+0.2	—	5.23	—	155.67	153.63	152.54	152.00	148.73	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (50)	452.91	+0.1	4.88	3.25	27.42	452.68	451.74	451.40	450.36	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (12)	177.99	+0.4	16.93	5.92	7.22	177.27	174.41	172.67	172.15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (110)	285.90	+0.2	—	5.66	—	285.28	284.77	284.27	284.73	282.02	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	236.15	+0.3	14.99	6.02	8.25	235.44	235.22	237.49	237.92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (17)	403.77	+0.3	12.57	7.88	9.72	402.47	400.59	400.68	400.55	430.79	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	313.12	+0.2	—	5.89	—	312.40	310.15	307.88	307.94	293.19	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

	PRICE INDICES	Thurs Dec 31	Day's change %	Wed Dec 30	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	105.80	+0.16	105.63	—	10.97
2	5-15 years	99.14	+0.24	98.90	—	13.45
3	Over 15 years	100.24	+0.29	99.95	—	15.29
4	Irredeemables	109.80	—	109.80	—	14.70
5	All Stocks	101.36	+0.23	101.22	—	13.18
6	Debentures & Loans	78.75	+0.08	78.67	—	11.06
7	Preference	61.27	+0.16	61.17	—	7.01

	AVERAGE GROSS REDEMPTION YIELDS		Thurs Dec 31	Wed Dec 30	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low	5 years	13.34	13.36	11.96	14.17 (26/10)	11.20 (20/3)
2	Coupons	15 years	14.09	14.08	11.96	14.49 (26/10)	11.86 (20/3)
3		25 years	14.09	14.09	11.96	14.58 (26/10)	11.86 (4/1)
4	Medium	5 years	16.17	16.18	13.53	17.11 (26/10)	12.92 (20/3)
5	Coupons	15 years	15.97	15.99	13.84	16.45 (26/10)	13.32 (20/3)
6		25 years	15.57	15.58	13.71	16.22 (26/10)	13.03 (20/3)
7	High	5 years	16.00	16.01	13.53	16.62 (26/10)	12.93 (20/3)
8	Coupons	15 years	15.69	15.70	14.06	16.24 (26/10)	13.65 (20/3)
9		25 years	15.59	15.61	13.74	16.08 (28/9)	13.15 (20/3)
10	Irredeemables		14.10	14.10	13.18	14.22 (2/10)	12.35 (20/3)
11	Debs & Loans	5 years	16.85	16.85	14.54	17.13 (27/10)	13.80 (23/3)
12		15 years	16.67	16.67	14.64	17.11 (28/9)	14.16 (20/3)
13		25 years	16.56	16.55	14.35	17.11 (28/9)	14.37 (20/3)
14	Preference		16.25	16.28	14.64	16.83 (28/9)	14.28 (24/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Miscellaneous Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.
CONSTITUENT CHANGE: Berec Group has been deleted and replaced by Quest Automation (Electricals).
RECLASSIFICATION: Central and Sherwood has moved from Miscellaneous to Mechanical Engineering.

RECENT ISSUES

EQUITIES

Issue price p	Amount Paid up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing price p	+ or −	Div. p. or amount	Times covered	Gross yield	P.E. ratio
—	F.P.	4/12	850	775	♯Asprey	825	.....	35.0	3.3	6.1	6.0
100	F.P.	—	97	96	Baillie GiffordJ'n Tst	97	.....	—	—	—	—
135	F.P.	—	35	32	♯City Site	33	.....	b0.5	1.2	2.2	54.8
225	F.P.	5/3	240	233	Comp.&Systs.Eng 20p	233	.....	b3.15	3.8	1.9	15.1
82	F.P.	22/1	86	83	Cussins Prop.	83	.....	[illegible]	[illegible]	[illegible]	[illegible]
80	F.P.	18/1	91	83	♯Equip...	85	.....	bd5.1	2.1	5.3	12.8
—	F.P.	—	10	9	F & C Enter. Warrants	9	.....	—	—	—	—
61	F.P.	29/1	63	62	♯Good Relations Grp	62	.....	b2.0	5.8	12.3	
450	F.P.	23/1	59	39	♯Gr'nw'hCable&Com.	39	.....	—	—	—	—
100	F.P.	22/1	109	93	♯Hardanger Prop.	100	.....	—	—	—	—
150	F.P.	4/1	166	157	♯Haytors	157	.....	b10.5	1.8	6.6	7.3
US$5.80	F.P.	—	305	283	Newmarket (1981)	283	.....	—	—	—	—
55	F.P.	—	41	39	Peek Hldgs.	41	.....	—	—	—	—
167	F.P.	18/12	70	68	♯Sheldon Jones	69	.....	u3.5	2.4	7.3	7.8
115	F.P.	11/12	120	118	♯Spearhawk	118	.....	bd7.0	2.5	8.5	5.4
—	F.P.	—	5	4	Viners 5p	4	.....	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price £	+ or −
97.46	£25	—	26½	23¼	Calsea Nat. Dev. Auto. 16% Gtd. Ln. 2006	24	
—	F.P.	—	51	50	Gen. Mtrs. 7¾% Gtd. Uns. Ln. 87-92	51	
100	F.P.	25/2	103	102	Essex Water 10% Red. Prf. 1986	102½	
‡100	F.P.	—	100p	99p	Haslemere Est 9pc Conv. Uns. Ln. [illegible]	4pm	
100	F.P.	—	100½	99	Nat'wide Bldg. Society 15¾% Bds (24/11/83)	99	
99.5	F.P.	—	100	99	Do. 15½% Bds. (15/12/82)	99½	
69	F.P.	—	78	64	Pennine Comm. 13pc. Cnv. Uns. Ln. [illegible]	71	
70	F.P.	—	75	70	Do. 15½ pc. Uns. 1986	70	
100	Nil	—	1½pm	1pm	Telfos 13% Cnv. 1991	1pm	
100	Nil	—	135	115	Viners 10% Cnv. Loan 1996	115	

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price p	+ or −
7½	F.P.	31/12 29/1	8¼	7¾	Abwood Mach.	7½	
142	F.P.	29/12 29/1	168	156	Brown (M)	158	
2.5A$	Nil	—	88pm	60pm	C S R	72pm	
162	Nil	18/12 21/1	183	172	Great Portland Estates	180	+2
40	Nil	—	6pm	5pm	Lennons Grp.	6pm	
7½	F.P.	18/12 15/1	8½	8	Rainham Prop.	8½	
58	F.P.	17/12 21/1	64	50	Strong & Fisher	50	
25	Nil	—	4pm	1pm	Telfos	1pm	
20	Nil	10/12 28/1	17pm	11pm	T N T	13pm	
5	Nil	—	9pm	7pm	Wearwell	8pm	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. u Interim since increased or resumed. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. || Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ♯ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Issued as a unit comprising 33 Ordinary and £5 Loan 1988-93.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 14	Dec 29	Mar 25	Apr 5
Jan 4	Jan 15	Apr 15	Apr 26
Jan 18	Jan 29	Apr 28	May 10

For rate indications see end of Share Information Service

Feb 1 — Feb 12 — May 13 — May 24

Options were relatively active: calls were arranged in Sufer Electrical Deferred, Lonrho, Carless Capel, Trident TV, Burton, British Petroleum, Midland Bank, Bowater, Lasmo, NCC, Premier Oil, Chloride, Bambers, Reckitt and Colman, FNFC, Meekatharra, British Mohair, Britannia Arrow, Raine Engineering and Marinex. No puts were reported but doubles were done in FNFC, Britannia Arrow and Royal Bank of Scotland.

LONDON TRADED OPTIONS

Dec. 31. Total Contracts 835. Calls 736. Puts 99.

Option	Ex'rcise price	Jan. Closing offer	Vol.	April Closing offer	Vol.	July Closing offer	Vol.	Equity close
BP (c)	280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	316p
BP (c)	300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
BP (c)	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
BP (c)	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
CU (c)	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CU (c)	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Ctlds (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC (c)	750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	829p
GEC (c)	800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC (c)	850	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Grd Met (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	292p
Mks & Sp (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	400p
		February		May		August		
Barclays (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	452p
Imperial (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lasmo (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	423p
Lonrho (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P & O (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	128p
Racal (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RTZ (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

C=Call — P=Put

هكذا من الأهل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

American Growth	62.0	66.7xd	-1.3	2.17
Capital	39.0	42.2	+0.3	4.03
(Accum. Units)	50.4	54.5	+0.3	4.03
General	60.0	64.8	+0.2	4.75
Gilt & Fixed Int.	74.5	79.8xd	+0.2	13.13
Income	35.4	39.4xd	-0.4	9.46
Worldwide Bond	105.2	112.0xd	-0.3	5.96
Inv. Tst. Fd.	50.9	55.0	+0.1	4.36
Equitas Prog.	84.0	90.8	+0.4	4.50

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	82.8	87.1	+0.2	13.94

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

Balanced Funds

Allied 1st	91.4	97.8	+0.4	5.51
Brit. Inds. Fund	77.0	82.4	+0.4	6.48
Growth & Income	56.7	60.7xd	-0.8	4.12
Elect. & Ind. Dev.	47.2	50.5	+0.1	4.75
Allied Capital	98.9	105.8	+0.5	4.72
Hambro Fund	135.4	144.9xd	+0.6	5.80
Hambro Acc. Fund	198.5	212.5	+0.5	4.72

Income Funds

High Yield Fd.	66.1	70.7	+0.3	9.08
High Income	83.1	88.9	+0.4	7.20
Equity Income Fd.	47.9	51.3	+0.3	7.39
Govt. Secs.	22.5	23.1	+0.1	13.77

International Funds

International	36.3	38.8	.....	2.37
Japan Fund	29.5	31.6xd	-0.1	0.52
Pacific Fund	73.4	78.5xd	-0.2	1.05
Secs. Of America	83.6	89.5xd	.....	2.68

Specialist Funds

Smaller Co.'s Fd.	56.4	60.3xd	-0.9	3.98
2nd Smlr. Co's Fd.	72.0	77.1	+0.5	3.90
Recovery	27.9	29.9	+0.1	4.72
Met. Min. & C'dty.	63.8	68.3	-0.1	5.86
Overseas Earnings	78.6	84.1xd	+0.4	4.88

Chieftain Trust Managers Ltd (a) (g)
11, New St., EC2M 4TP. 01-283 2632.

American (z)	27.7	30.1	-0.2	1.61
Australian (z)	23.5	25.6	-0.1	0.98
Far Eastern Tst. (z)	42.7	46.3	-0.1	1.22
High Income	33.3	35.3	.....	12.15
Intl. Trust (z)	49.7	54.0	.....	1.40
Basic Resources Tst.	48.4	52.5	-0.2	2.15
Inom. Growth Tst.	24.2	26.3	.....	6.49
Pref. & Gilt Tst.	18.7	20.3	+0.1	15.70
Smaller Co's Trust	28.6	31.0xd	+0.2	3.51

Choulston Fund Managers(g)
57-63, Princess St., Manchester. 061-236 5685

Growth	15.9	17.1	.....	3.78
International	63.7	68.8	-0.3	7.18
High Income	28.1	30.3	.....	11.68

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	75.5	79.4	.....	3.64

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	36.3	38.8	+0.6	12.23
North American	60.5	65.4	+0.3	2.60
Canadian Exempt*	67.0	70.9	.....	2.99
Canadian Trust	65.1	69.5	-0.2	3.08
Mid Mount High Inc.	44.4	47.0	.....	10.19
Recovery	57.1	58.0	+0.2	3.79
Gilt Trust	37.7	39.4	+0.1	14.60

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	42.7	46.1	.....	0.54
Cres. Internat'l	89.4	96.5	-0.4	1.56
Cres. High. Dist.	43.5	46.9	+0.1	9.73
Cres. Reserves	51.6	55.7	+0.5	5.59
Cres. Tokyo	41.2	44.4	-0.3	0.28

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	22.8	24.3	.....	9.05

Discretionary Unit Fund Managers
36/38 New Broad St. EC2M 1NU. 01-638 4485

Disc. Inc. Dec. 22	240.0	257.1	.....	5.24

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	19.7	22.0	.....	7.92
Gt. Winchester O'seas	31.7	35.2	.....	3.95

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

CANADIANS—Continued

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Contd.

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

Tins

Copper

Miscellaneous

High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
25½	12	Burma Mines 10p	14½	......	0.75	0.9	7.4
330	85	Colby Res. Corp.	126	......	—	—	—
330	200	Cons. Murch. 10c.	260xd	+10	Q60c	♦	12.3
10	5	‡‡Explaura Gold	5½	......	—	—	—
98	47	††Hemerdon 10c.	65	......	—	—	—
180	65	Highwood Res.	80	......	—	—	—
505	240	Northgate C$1	250	+5	—	—	—
633	372	R.T.Z.	443	......	16.0	2.3	5.2
£130½	£93½	Do.9½%Cu.Ln.'95-2000	£98½	+½	Q9½%	—	10.2
163	13	††SPO Minerals 10p	22	......	—	—	—
47	15	Sabina Inds. C$1	15	-2	—	—	—
44	21	‡Southwest C. 10p	29	......	—	—	—
650	465	Tara Exptn. $1	500	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♯ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ☆☆ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	40	......	**IRISH**		
Bertrams	16	......	Conv. 9% '80/82	£98	+⅛
Bdg'wtr. Est. 50p	485	......	Nat. 9¾% 84/89	£85½xd	......
Craig & Rose £1	£13	......	Fin. 13% 97/02	£75¼	+⅛
Finlay Pkg. 5p	26	......	Alliance Gas	60	+5
Graig Ship. £1	£22	......	Arnott	230	......
Higsons Brew	75	......	Carroll (P.J.)	81xd	......
Holt (Jos) 25p	520	......	Concrete Prods.	90	......
I.O.M. Stm. £1	150	......	Heiton (Hldgs.)	26	......
Pearce (C. H.)	840	......	Irish Ropes	36	......
Peel Hldgs.	116	......	Jacob	63	......
Sheff. Refrshmt.	85	+2	T.M.G.	12½	-½
Sindall (Wm.)	190	......	Unidare	60	......

OPTIONS

3-month Call Rates

Industrials		House of Fraser	13	Utd. Drapery	6½
Allied-Lyons	6½	I.C.I.	18	Vickers	15
BOC Intl.	11	"Imps"	5	Woolworths	4½
B.S.R.	7½	I.C.L.	5		
Babcock	9	Ladbroke	13	**Property**	
Barclays Bank	36	Legal & Gen.	20	Brit. Land	7
Beecham	17	Lex Service	9	Cap. Counties	10
Blue Circle	38	Lloyds Bank	28	Land Secs.	30
Boots	28	"Lots"	3½	MEPC	20
Bowaters	19	London Brick	6½	Peachey	15
Brit. Aerospace	17	Lucas Inds.	16	Samuel Props.	13
B.A.T.	28	"Mams"	11	Town & City	2¼
Brown (J.)	8	Mrks. & Spncr	10		
Burton Ord.	12	Midland Bank	25	**Oils**	
Cadburys	8	N.E.I.	7	Brit. Petroleum	28
Courtaulds	5½	Nat. West. Bank	30	Burmah Oil	11
Debenhams	7	P & O Dfd.	9	Charterhall	6
Distillers	15	Plessey	26	KCA	19
Dunlop	6½	Racal Elect.	34	Premier	7
Eagle Star	25	R.H.M.	7	Shell	28
F.N.F.C.	4	Rank Org. Ord.	14	Tricentrol	25
Gen. Accident	30	Reed Intnl.	25	Ultramar	40
Gen. Electric	55	Sears	5		
Glaxo	32	Tesco	5	**Mines**	
Grand Met.	15	Thorn EMI	30	Charter Cons.	21
G.U.S. 'A'	36	Trust Houses	11	Cons. Gold	40
Guardian	33	Tube Invest.	12	Lonrho	7
G.K.N.	12	Turner & Newall	7½	Rio T. Zinc	45
Hawker Sidd.	25	Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 20

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £300 per annum for each security

FINANCIAL TIMES

Saturday January 2 1982

MAN OF THE YEAR

The triumph of a perpetual loser

BY DAVID WHITE

"LIKE ME, he could have been a writer, written stories instead of living them," the novelist François Mauriac wrote of François Mitterrand. "He chose to live them. But this choice required a hardening of his nature. He *has* got harder, as much, I imagine, as an epoch other than ours would have demanded."

This was in 1959, after Mitterrand's car had been shot up near the Luxembourg gardens in Paris. Alleged at first to have been a publicity stunt, it was one of the series of incidents which, over a 35-year political career, opponents have tried to use against the man who in May finally became France's first directly-elected Socialist President.

Mauriac reckoned that an even more hardened politician would have realised he was being lured by enemies into a snare. But the novelist praised Mitterrand for this residue of "human weakness." For him it showed a truster, a believer beneath the public figure.

That quality, in a different way, remains part of the Mitterrand image—though it is a long time since he last put a foot wrong. Mitterrand's instinctive emotional response stands out in contrast to the dry, often condescending, manner of President Giscard d'Estaing.

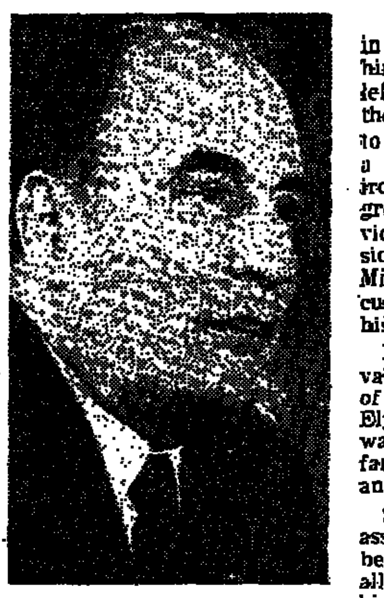
What Mauriac also saw was the duality between the man of learning and the man of action, between broad intellectual scope and single-minded ambition.

Mitterrand at that time, after a succession of 11 ministerial portfolios in post-war governments, had *just started what* turned out to be a 23-year stint in opposition. He had a long political evolution still to go through before his third, final bid for the presidency.

His conversion to the current mix of nationalising, decentralising Socialism took a long time. "I was not born on the Left," he confessed in one of his books, "and still less a Socialist." His background was bourgeois. He was cut out to be a lawyer. After the war—three escapes from prisoner-of-war camp, involvement in the underground movement, marriage to the young *resistante* Danielle Gouze, the first bristly meeting with General de Gaulle—he entered politics as something of a classic liberal.

As a minister from the age of 30—a record since Napoleonic times—he was all for social justice, but far from the "rupture with capitalism" which Socialism implied. It was more in the spirit of a left-wing republican tradition that he opposed de Gaulle's comeback and the concentration of power in the hands of the president.

But—this was Mitterrand's long-term calculation — to challenge that power required all the combined forces of the Left. This meant finding a party to take the initiative from the Communists. From 1971 onwards he achieved this—in remarkable fashion—as leader of the reorganised Socialist Party.



Mitterrand: a believer

"I have always fought against Communists," he said in the 1950s. "I shall struggle ceaselessly to save France from the horrors of a collectivist dictatorship." But as part of his long-range bet he knew he would eventually have to count on the Communists as "natural allies."

Mitterrand has taken all this time to become really popular. He was suspected of deviousness. Mitterrand scandals — about a medal he received from Vichy France for services to ex-prisoners ("a marvellous cover," he called it), or about defence leaks — were sometimes unjustified, but mud stuck. Many on the Left still begrudge him statements made during the Algerian war, or his clumsy bid to assert himself during the 1968 "events."

In many ways he is an oddity in the political class that made him its leader. He is nobody's leftist archetype. Courteous to the point of being suave; correct to the point of pedantry, with a phobia of superlatives, often ironic, rarely jocular, and never gross; as a conversationalist, a victim to labyrinthine digressions and rococo flourishes — *Mitterrand is someone who* cultivates his style and keeps his distance.

He is intensely loyal to his varied circle of friends, several of whom have key jobs on the Elysee staff. But, apart from wartime comrades, he uses the familiar "*tu*" *form with hardly* anyone.

Since the election, one close associate says Mitterrand has become "serene." It is, after all, the job he has prepared himself for for years.

This fresh aura of beatitude came across in his first presidential TV interview last month. Mitterrand had always been poor on television, tense and ambiguous. Here for the first *time — in front of his shelves* of books, bearing what one editorialist decided was "a distant resemblance to André Gide" — he projected himself with ease. In his more effusive moments his involuntary tic of fluttering eyelids came back. But the caustic edge which has always characterised his public speaking was gone.

After a long period of being thought the perpetual loser (and the British and U.S. ambassadors, to quote only two, were sure he would lose again this last time), Mitterrand is obviously flattered by being *Monsieur le Président*. But he keeps old habits, sneaks out now and then to the theatre or to a restaurant, and continues to use his own home in a *little Left* Bank street, as well as his retreat at Latche in Gascony. Mitterrand's attachment to this part of southwest France, like the Cognac country of his early childhood and the Morvan region of Burgundy, which he has represented in parliament since 1946, plays a big role in his writings.

At 65 he is far from being the oldest of the world's leaders. He suffers from arthritis, but shows no sign of losing his capacity for lucid exposition — much needed in situations where the members of his Government give out seemingly contradictory signals. But, amid all the economic constraints, with opponents already making easy fun of those lyrical flights of his, will it be *the same Mitterrand who completes* the term at the age of 71?

At times, Mitterrand's style reminds people of de Gaulle. There is an aloof, regal side to him. One could say that was something the French rather expect in a President. But Mitterrand must be aware of the concomitant danger, the trap of arrogance which Giscard, shorn of much of the youthful, progressive image he set out with as President, fell into. France's constitutional system, with its seven-year terms, has a nasty habit of wearing men of vision down to ordinary monarchs.

THE LEX COLUMN

Identifying the risks of 1982

The prospects for the UK economy in 1982 look a little more encouraging than they did a year ago. But for the financial markets, which have already been rather sharply pushed *in one direction* and then the other, the risks look greater still during the next 12 months. With a lot of luck on the international interest rate front, the outcome might not be too bad, but the domestic monetary pressures are unlikely to fade, and the health of the world banking system is certainly not improving as time *goes by.*

Stock cycle

A year ago output in the UK economy was quite clearly still declining, *but* depressed economic conditions are not a bad thing for financial markets, and British equities—and even gilt-edged—made progress in early 1981. Since the summer the economy has entered a phase of recovery, most evident in the *replacement of de-stocking* by a neutral phase of the inventory cycle, perhaps followed—or so the foreign trade and monetary data suggest—by a period of actual stockbuilding in the last couple of months.

What is difficult, especially given the pressure building up on consumers' disposable income, is to know how durable the recovery *will prove.* Some of the last quarter's stockbuilding may reflect no more than the anticipation of steel price increases or the buying of imported raw materials on fears of further weakness in sterling.

The recovery has come up *against the collection of tax* revenues delayed by the Civil Service strike, and the authorities were obliged to accept higher interest rates in order to protect sterling. It has taken a steep fall in U.S. interest rates to resolve, even partially, a very nasty problem.

For years past the UK banking figures have portrayed an *economy with a chronic appetite* for bank credit at all sorts of stages in the business cycle. In any one month this may be explained away as the result of insufficient industrial profit margins, involuntary stockbuilding, the financing of a *recovery, the need to borrow* for tax payments, or the increasing market share of banks in consumer lending.

Over the next quarter the gathering of revenue from an illiquid corporate sector will continue to compound the problems in the credit markets, and it seems likely that if the economic upturn continues the pressures will become very great. If, on the other hand, the recovery of the last few months peters out, there will be considerable disappointment about output and profits — profits which have already been discounted in an *equity market that* is living on prospective earnings multiples.

Index rose 1.6 to 530.4

That may well be an unduly gloomy way of looking at things. *The equity market is also sup*ported by the very substantial productivity improvements of the last two years — the counterpart of the increase in unemployment. There may be plenty of room for higher profits even if the economy is relatively sluggish. Dividend cuts, meanwhile, should be in the past: this year companies will be holding their dividends *if* they do not increase them.

Yet although the yield on the All-Share Index may be above the long-term average, it is also *as much as 10 percentage* points below the return available on gilt-edged. So long as inflation does not threaten to rise substantially above present levels, the return on gilts must exert a strong braking force on share prices.

Another aspect of this is that equity financing may appear comparatively attractive to companies. The past year has already seen a large number of *rights issues, and it seems prob*able that if profits are indeed strong there will again be a very large number of companies raising new equity. Once again this will tend to dampen down any buoyant phases in the market.

Of course, many investors hope the level of gilt-edged yields will fall. Certainly the *real return on gilt-edged is at a* level not experienced for decades. But such hopes have proved over-optimistic time and again, and gilt-edged holders have recently been apprehensive that political pressures will force the *Government to disavow its anti*-inflationary posture. In fact of course there has already been grave slippage on the monetary side although fiscal policy, in the last year at least, has been relatively tight, if only because high public sector price rises have reduced the borrowing requirement.

The first hurdle for the Government in 1982 will be the threatened miners' strike. Beyond that, the Budget will set the tone for much of the Government's remaining period in office. It is hard to believe that *the fiscal stance* will remain as rigorous when the need to reduce inflation will be becoming electorally imperative and there will be a strict incentive to hold down public sector charges.

Clearly the Government will not want to *see sterling fall* significantly, which implies relatively high interest rates, especially if U.S. rates begin to move up again when the U.S. economy rallies later in the year. The authorities could seek some monetary relief by imposing bank lending controls but the history of these is not inspiring.

Commodity prices

What happens in the Budget could be less important than events in a thoroughly volatile world economy. For the moment, the U.S. recession is *applying a kind of cure, so that* dollar interest rates have eased substantially and most commodity prices are flat. But of course if oil prices get any softer this will cease to be a good thing in terms of sterling and the UK oil tax revenues.

Far more sinister possibilities are suggested by the obvious creakiness of the international banking system, where Poland's year-end financial problems have provided only a taste of what may be to come. This is not to say that 1982 will bring *the kind of cataclysm beloved* of American gold-bug newsletters—no doubt the problems can continue to be rolled over. But the day of reckoning does draw nearer.

This all suggests that investors will be facing above *average risk in the coming* year. To go liquid is not necessarily an appropriate strategy, since neither equities nor bonds look unduly expensive at their present levels, and if things go well there is plenty of scope for the markets to rise. *The crazy conditions of* 1981, in which the FT 30-Share Index put on 110 points in six weeks in the spring and lost 100 in the month of September, set a standard of volatility that 1982 will find hard to beat. But it may be a near thing.

Section of M20 may be made a toll-road

By Lynton McLain and Elinor Goodman

THE GOVERNMENT is considering making part of the *M20* motorway in Kent between Maidstone and Ashford a toll-road, to pay for the motorway's completion. Tolls in Britain are used only on some bridges and private roads, to date.

Construction of the M20 between London and the south-coast ports was approved in the 1970s. The London-to-Maidstone section was opened to traffic in 1980. The Ashford-to-Folkestone section is under construction.

Lack of funds, however, *in June 1980 forced the Govern*ment to suspend preparatory work on the 14-mile section *linking Maidstone and Ashford.*

Several alternative schemes for financing new motorway construction have been put to the Transport Department by private-sector companies. These include a form of hire-purchase suggested by Tarmac Construction of Wolverhampton.

This scheme would allow the Government to use private finance *to build a motorway; the* road would be owned initially by private-sector companies which built it; tolls would provide return on capital to the private sector and the road would pass to government ownership eventually.

The Government is considering this idea. Transport Department officials believe the investment could count against the public sector borrowing requirement, however, especially if private-sector investment had to be guaranteed by the Treasury.

Tory MPs, including Mr Keith Speed, MP for Ashford, have lobbied for the M20 to be finished.

Euroflame warns of big loss and drops dividend

BY DUNCAN CAMPBELL-SMITH

EUROFLAME HOLDINGS, the *cooking appliances distributor* whose profit forecasts for 1981 caused a listing problem for the company's shares last February, has announced that its results for the year will in the event show a substantial loss.

The shares, quoted on the Unlisted Securities Market, closed down 4p at 10p each *on Thursday. They were* initially floated at 30p last March and reached a high of *57p in the summer but have* declined steadily since early September.

Shareholders were told on Thursday that a proposed interim dividend will be dropped and no final dividend will be paid for 1981.

Euroflame's business is largely dependent on sales of the Kamina Chef cooker and *other appliances made by Efel* of Belgium. It started trading in 1976 and has grown rapidly, *with sales concentrated each* year into the last five months.

In 1981, however, a normal break-even performance in the first half has been followed by "most disappointing" sales since July.

The timing of the downturn is particularly embarrassing because Euroflame's confidence *earlier in the year facilitated* not only a public quotation of 1.1m shares but also a subsequent placing in August of 1.77m shares with City institutions, at 48p each, to fund an acquisition.

It was also management's confidence which caused a hiccup in the flotation proceedings when Mr John Viall, Euro*flame's chairman, indicated at* the last minute that he would be disappointed to see profits less than £450,000 for the year.

The sale prospectus included no forecast and the company was obliged by the Stock Exchange to issue a revised version. This appeared in March with a qualified forecast "in the absence of unforeseen circumstances" of £335,000—which was still the forecast when shareholders were given *details in August of the pur*chase of Logfires (Woodstoves), a private company.

*The Stock Exchange's quota*tions department said: "One has to say enough attention was focused on the forecast figures *that for this to happen now is* extremely disappointing."

This week's disclosure of its difficulties was Euroflame's first public statement since August. The company began in November to discuss remedial action with its brokers, Sternberg, *Thomas Clarke, and with Tring* Hall Securities, the City issuing house which originally launched Euroflame by selling part of its 75 per cent holding in the company.

Euroflame's advisers have a direct interest in the company's *recovery. Tring Hall retains a* 36 per cent stake, valued in its books at about 19p per share, and six of the seven partners at Sternberg, Thomas Clarke are themselves private shareholders.

Action already taken by Euroflame includes the appointment *to its board of Mr J. E. A.* Mocatta, formerly group managing director of United City Merchants, and the appointment of Stoy Hayward, the accountants, to prepare an independent report. It is hoped this will be available by the end of the month.

Doubts over Rawlings coup bid in Ghana

By Quentin Peel, Africa Editor

THE OUTCOME of an attempted military coup in Ghana was *unclear last night,* 36 hours after Flight-Lieutenant Jerry Rawlings announced that he had assumed power for the second time in 30 months and ousted the civilian Government of President Hilla Limann.

Ghana State radio said yesterday morning that all was calm in the capital, Accra, but appealed to soldiers and civilians not to loot. All soldiers were ordered to report to barracks for redeployment, and a dusk-to-dawn curfew was *imposed.*

Isolated shooting incidents were reported, but a diplomat at the British High Commission told the BBC that all appeared quiet yesterday, with only two military roadblocks seen in a tour of the capital.

Apart from that single telephone call, the State radio has been the sole source of *information.* Virtually all outside telex and telephone links have been cut and international flights suspended.

The coup was announced over the radio early on Thursday by Flt-Lt Rawlings, 34, the retired Air Force officer who deposed the *military government* of Lt-Gen. Frederick Akuffo in June 1979.

Flt-Lt Rawlings, declaring a "holy war" on corruption, said a provisional national military council was being established, though he denied that the action was a military coup.

He announced reinstatement of Brigadier Nunoo Mensah, former *Chief of the Defence* Staff, and Brigadier Quainoo, former Army commander, both *dismissed by Dr Limann.*

There was no immediate information on the whereabouts of the President. Flt-Lt Rawlings said in his speech that "several soldiers" had died in the action. He called on Ghanaians not to harm Dr Limann.

In the three-month rule of the Armed Forces Revolu*tionary* Council which Flt-Lt Rawlings headed from June to September 1979, eight senior military officers were executed, including three former Heads of State, Gen Akuffo, *Gen* Ignateus Acheampong and Gen Akwasi Afrifa, in what was *termed* a crackdown against corruption.

On handing over power just over two years ago to the newly elected civilian Government headed by Dr Limann, leader of the People's National Party, Flt-Lt Rawlings was re*tired* from the armed forces.

But he remained a rallying point for younger Ghanaians disillusioned by the country's steady economic decline.

The coup comes against a background of dislocation in virtually every area of the economy, affecting the 12m population. Cocoa production, the main export *earner, has* slumped to one of the lowest levels since the 1950s.

Ghana waits, Page 2

Nuclear stations to boost power

BY MARTIN DICKSON, ENERGY CORRESPONDENT

ELECTRICITY GENERATING capacity will receive an important boost in the first few months of this year when four new power stations begin supplying the national grid.

*The Central Electricity Gen*erating Board says it now expects to raise power about March at three advanced gas-cooled reactor nuclear stations, Hartlepool, Heysham 1 and Dungeness B—while a hydro-electric station at Dinorwic in North Wales should also produce its first electricity in the spring.

This will follow hard on the heels of substantial additions to oil-fired generating capacity:

The second and last generating unit at the 1,000 MW Ince B power station came on stream in November, while the first unit at the 1,920 *MW Littlebrook D* plant is now expected to have reached full capacity.

The new stations are a mixed blessing for the CEGB. On the plus side, the three nuclear stations and the hydroelectric one will mean a substantial saving in generating costs.

But the oil-fired plants, ordered before the 1973-4 quadrupling of crude prices, are now so expensive to fuel that they are operated *only* during two shifts a day.

All but two of the nine power *stations being built for the* CEGB, or just completed, are years behind schedule, and have *suffered large cost over-runs.* Design changes and labour problems are largely to blame.

The worst case is Dungeness B nuclear station. Work began on it in 1966, with completion expected in the early 1970s at a cost of £89m.

It is now expected to cost £530m.

Hartlepool, begun in 1968 and *originally planned to cost £92m,* has soared to £520m, the same figure as for Heysham 1, begun *in 1970.*

Work at Dinnorwic began in 1974. It was then estimated to cost £116m. This has risen to £420m.

Weather

UK TODAY

RAIN in most places. Temperatures near or above normal.

England, Wales, N. Ireland, Channel Islands

Cloudy with outbreaks of rain. Max. 13C (55F).

N.E. Scotland, Orkney and Shetland

Dry and cloudy. Max. 7C (45F).

Rest of Scotland

Dry at first but rain later. Snow on high ground. Max. 7C (45F).

Outlook: Rain, with sleet or snow in the north. Bright intervals.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	13	55	Corfu	S	19	66	L Ang†	—	—	—	Perth	S	25	77
Algiers	F	18	64	Denver†	—	—	—	Lux'bg	C	5	41	Prague	S	4	39
Amsdm.	R	7	45	Dublin	F	5	41	Luxor	S	23	73	Rykjvk.	S	3	36
Athens	S	15	59	Dbrvnk.	C	15	59	Madrid	S	10	50	Rhodes	S	18	64
Bahrain	S	21	70	Ednbgh.	F	2	36	Majorca	S	16	61	Rio J'o†	—	—	—
Barclna.	S	16	61	Faro	S	15	59	Malaga	S	16	61	Rome	C	16	61
Beirut	S	19	66	Florence	R	12	54	Malta	S	19	66	Salzbrg.	R	3	37
Belfast	S	2	36	Frankft.	S	7	45	M'chstr.	Fg	−1	30	S'ciaco†	—	—	—
Bolgrd.	S	14	57	Funchal	S	19	66	Melbne.	C	26	79	S Mritz.	—	—	—
Berlin	C	4	39	Geneva	C	6	43	Mx. C†	—	—	—	Singpr.	—	—	—
Biarritz	C	12	54	Gibrltr.	S	16	61	Miami†	—	—	—	S'tiago†	—	—	—
Bmghm.	Fg	1	34	G'sgow	C	4	39	Milan	C	3	37	Stckhm.	Sn	−3	27
Blackpl.	S	1	34	G'rnsey	R	7	45	Montl.†	—	—	—	Strasbg.	F	10	50
Bordx.	F	10	50	H'sinki	Sn	−13	9	Moscow	Sn	1	34	Sydney	S	28	82
Boulgn.	C	7	45	H Kong	S	18	64	Munich	R	4	39	Tangier	S	17	63
Bristol	C	5	41	Innsbrk.	R	2	36	Nairobi	F	26	79	Tel Aviv	S	19	66
Brussels	C	7	45	Invrnss.	F	4	39	Naples	F	17	63	Tenerife	S	21	70
Budpst.	C	4	39	I.o.Man	F	6	43	Nassau	—	—	—	Tokyo	S	11	52
Cairo	—	—	—	Istanbul	—	—	—	Nwcstl.	S	2	36	T'r'nto†	—	—	—
Cardiff	C	5	41	Jersey	F	8	46	N York†	—	—	—	Tunis	S	19	66
Cas'b'ca	S	17	63	Jo'burg	S	29	84	Nice	F	15	59	Valencia	S	15	59
Cape T.	S	21	70	L. Plms.	S	20	68	Nicosia	S	19	66	Venice	C	6	43
Chicg.†	—	—	—	Lisbon	F	15	59	Oporto	C	13	55	Vienna	R	3	37
Cologne	C	8	46	Locarno	C	3	37	Oslo	Sn	−4	25	Warsaw	C	7	45
Cphgn.	C	1	34	London	R	5	41	Paris	C	8	46	Zurich	F	6	43

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder. † Noon GMT temperatures.

Continued from Page 1

Education

Net expenditure on school meals and milk in 1980-81, for example, was 65 per cent above the level assumed in last year's rate support grant settlement.

The RSG settlement assumed a level of £247m in 1981-82 whereas the actual figure is likely *to be £384m. compared* with last year's figure of £397m.

Although the Government now admits its projection of a 38 per cent cut in one year was not attainable, it thinks more could have been achieved by councils.

But local authorities argue that even limiting their spending to £330m would have meant decisions such as limiting school meals to children from families on supplementary benefit.

Continued from Page 1

EEC stance

Germany, were reluctant to hold the meeting under the British presidency lest the UK used its position to press for a more hard-line response.

In her New Year message Mrs. Thatcher spoke optimistically about prospects this year for economic recovery. "There is much more hope ahead this coming year than there has been at the depth of world recession

"*Industry* now is really highly competitive. It is winning orders overseas. There is hope, there is good long-term hope. Industry is efficient, it is showing *in* increased output and orders, new small businesses are starting up."

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.